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Southeast Asia Report

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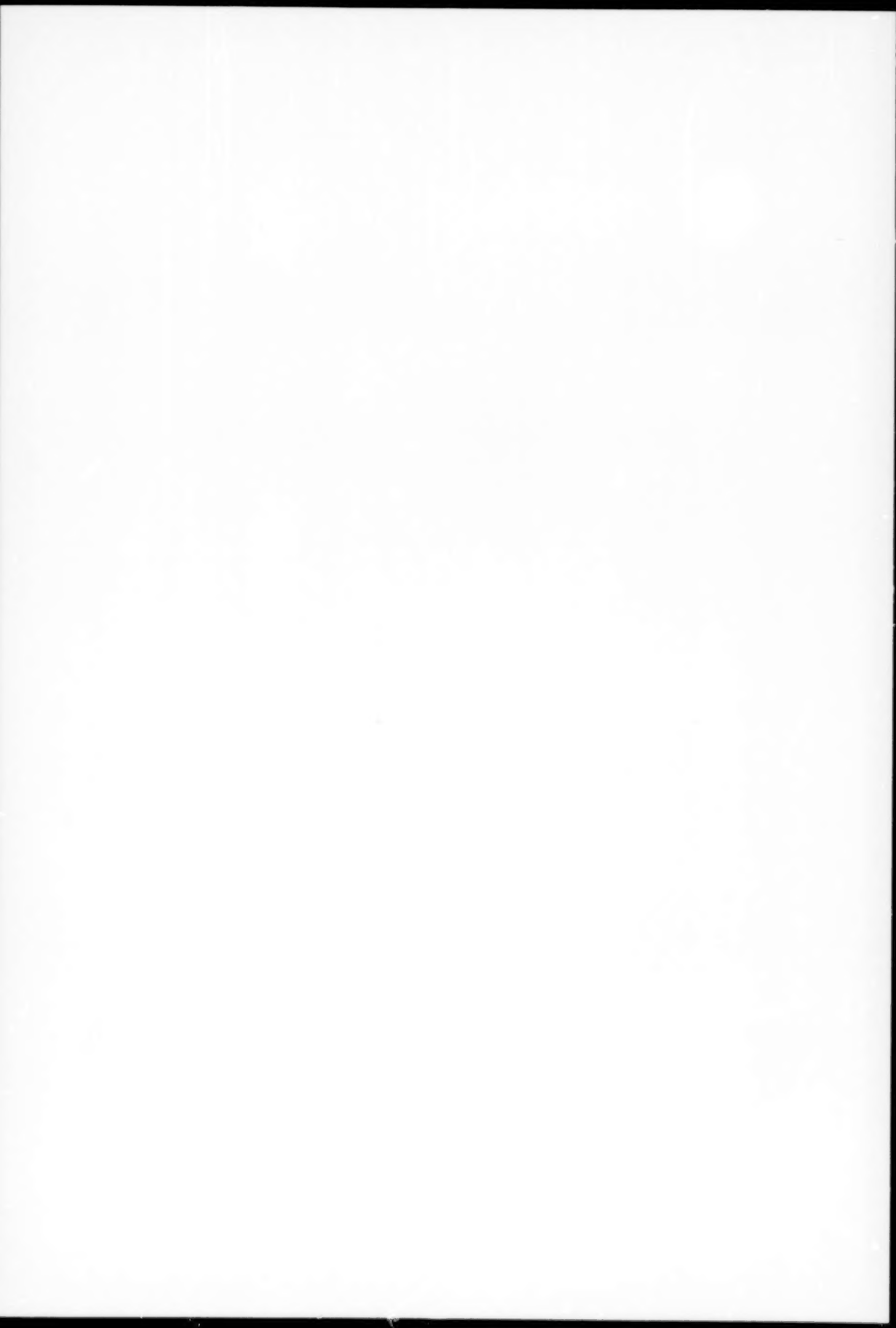
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AUSTRALIA

U.S. 'DUMPING' PROMPTS BARLEY INDUSTRY CONCERN

Sydney THE AUSTRALIAN in English 6-7 Sep 86 p 5

[Article by David O'Reilly]

[Text]

THE dumping of about one million tonnes of barley by the United States in the Middle East has thrown Australia's \$600 million barley industry into chaos.

The decision went virtually unnoticed during the recent furore following the announcement that four million tonnes of subsidised US wheat would go to the Soviet Union.

But the Australian Barley Co-ordinating Committee condemned the decision yesterday, claiming the Federal Government had ignored the local industry's plight despite repeated warnings about the possible impact of US dumping policies.

The chairman of the committee, Mr Ron Hesford, said he was alarmed that while so much fuss had been made of the proposed wheat deal, the barley industry had been completely forgotten.

Serious

He said that while federal government ministers were keen to rush into the wheat debate, they showed a marked lack of interest in

looking after the interests of the barley industry.

"This is incredibly short-sighted, because barley is worth about \$600 million to the nation," he said.

Saudi Arabia was Australia's most important barley market last year, taking over 1.6 million tonnes.

"Therefore, it would be hard to imagine a more serious threat to our farm export earnings than the Americans dumping barley in Saudi Arabia," Mr Hesford said.

Another disappointment was the "apparent lack of interest" shown by the National Farmers Federation and its grains council.

The Americans had pressed on and quietly signed and sealed agreements to supply 750,000 tonnes of barley to Saudi Arabia at prices that incorporate a subsidy of around \$30 per tonne.

A further allocation of 250,000 tonnes is being considered by the US Government.

"This is outrageous," Mr Hesford said.

"The Americans are dumping the equivalent of 7 per cent of the annual world barley trade in Saudi Arabia - a

major Australian market."

Mr Hesford said trade forums in Brussels, Washington and Cairns had dismissed the importance of barley to the terms of trade.

"Barley is a major contribution to the Australian rural economy, and there is no justification for treating this very important commodity like a poor relation."

Australia needed crop diversification away from wheat.

"Wheat production in this country must be kept within limits to ease the oversupply position and to avoid placing a further financial burden on Australian taxpayers," he said.

"These were compelling reasons why the Federal Government needed to act."

"I believe this American barley dumping holds far more severe implications for barley growers than the proposed American wheat sales hold for our wheat producers."

"Action is required. If Australia does not take a stand in the international arena on such an important issue, these dumping activities are likely to become commonplace."

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AUSTRALIA

POLICY IMPLICATIONS OF USSR FISHING PRESENCE ANALYZED

Sydney THE AUSTRALIAN in English 1 Sep 86 p 9

[News Analysis by Bruce Loudon: "How a Soviet Fishing Presence Is Making Waves in the Pacific"]

[Text]

THE Soviets insist that "we're only here for the fish..."

The Americans scornfully dismiss such assertions, pointing out that in relation to tuna, in particular, there is virtually no Soviet consumer demand for the fish.

And an American official has been quoted as declaring that Soviet long-term aims in the Pacific are "to be disruptive and stimulate subversion".

Somewhere within these parameters lies the truth about what is, undeniably, a significant Soviet thrust into the Pacific that carries potentially serious ramifications for Australia.

With even Papua New Guinea showing signs of willingness to negotiate with the Soviets, what is undeniable is that Moscow is on the offensive. It has already done a deal with Kiribati, it wants to do a deal with Vanuatu, and Fiji, despite its long-standing, pro-Western credentials, is also dickering with the idea of reaching a fishing agreement with the Soviets. PNG says it is willing to negotiate with the Russians, along with other major fishing nations - although it maintains the Soviets have not approached PNG.

All this, it should be said, does not mean that the Pacific is about to become a Soviet lake.

Fishing deals are not, in themselves, conclusive: the Soviets do them with many countries around the world, and in the region they have them, among others, with the likes of New Zealand, Singapore and Japan.

But there are factors in relation to the Pacific island States that, in the view of most analysts, make them dangerously vulnerable to Soviet blandishments.

These factors are:

THE Soviet navy's Pacific fleet has been strengthened to its most potent capacity ever, and now includes two aircraft carriers, 14 cruisers, 17 destroyers, 22 frigates, 30 corvettes, 98 auxiliaries, some 300 combat fixed-wing aircraft, and 90 helicopters.

MOSCOW has consolidated its facilities at Cam Ranh Bay and Da Nang in Vietnam. At least 35 combat vessels are attached to these stations at any one time, and have a potent air, anti-submarine and electronic surveillance back-up.

THE Soviet fishing fleet in other parts of the world has been shown to work in close

liaison with the Soviet navy, and invariably includes surveillance and communications vessels that are regarded by most experts as having little, if anything, to do with commercial fishing.

THE island States are, at this time, particularly vulnerable to Soviet blandishments, for there is, among them, a mood of disenchantment with the United States - particularly because of what they regard as the way in which that country's tuna fishing fleets have been plundering their preserves without paying anything like adequate compensation.

Indeed, a widely held view is that the American Tunaboat Association (ATA) has much to answer for in relation to what is happening in the Pacific.

For years, the American fishermen have buccaneered their way through the waters surrounding the island States. They have paid scant, if any, attention to the sensitivities or the legal prescriptions of the islanders.

They have bullied their way past island protestations in relation to fishing limits and economic zones - and in so

doing have caused a wave of resentment.

The Americans, it is claimed, even refused to pay the sort of fees for fishing licences that were paid by such other distant-water fleets as those from Japan and this, too, contributed to the general animosity that developed towards the American tuna fishermen.

Recently, the ATA has been discussing with the island governments possible compensation for this — but, again, they seem to have done more harm than good. The islanders have, in prolonged negotiations, been demanding a sprat-like sum of between \$US1.5 million and \$US2 million and an aid package amounting to some \$US20 million.

The American tuna fishermen have offered an amount of \$US50,000 and aid amounting to not more than \$US8 million.

A tenth round of talks on this highly sensitive issue is due to be held in Tonga in mid-October. There are signs that

the US State Department, alarmed about what is happening in the Pacific, will finally agree to involve itself.

The view widely held among analysts is that, left to their own devices, the ATA will only make matters worse, and that some urgent intervention is required by the Reagan administration to try and smooth ruffled feelings.

Such intervention is, however, only part of any potential solution, for there is another aspect to the problem, and it relates to Australia: the Hawke Government's decision to hoist the flag of total self-interest and resume uranium sales to France seems to have had a considerable impact on regional leaders.

If such self-interest is good for Australia, the island leaders ask, why not fishing agreements with the Soviet Union, assuming they are founded on a sound commercial basis?

They maintain that in all their dealings with the Soviets, they have found the

men from Moscow scrupulous in their regard for island sensitivities, and impeccable in paying attention to fishing limits and economic zones.

For their part, of course, the Soviets insist — and will continue to insist — that there is nothing sinister in their desire to establish fishing rights in the region. A Soviet official has been quoted as insisting: "We have dozens of agreements with various countries on fishing... We fish for tuna in the Atlantic and also in the Indian Ocean, but the South Pacific is the richest area for tuna. That's why we want to fish here also."

To many analysts it seems that Henry Kissinger's doctrine of "benign neglect" has been applied with particular effect in the Pacific, and in relation to the island States, and that Moscow is now exploiting the disaffection that doctrine has engendered.

The consequences of this "benign neglect" are now clearly reaching the stage at which they demand extremely urgent attention.

AUSTRALIA

GATT REPORT ILLUSTRATES ECONOMIC POLICY SHORTCOMINGS

Sydney THE AUSTRALIAN in English 8 Sep 86 p 2

[Commentary by Robert Hadler: "Grim Truths in GATT Report"]

[Text]

THE dramatic slump in Australia's rating as a trading nation highlights the main problems facing the economy and government policy.

The GATT report forecasts a gloomy world trade scene with the prospect of prolonged trade stagnation and economic decline due to the growing drift into protectionism.

The growth of protection and subsidy arrangements, such as European Community (EC) import barriers and United States agricultural assistance, have been the main reasons for the trade problems facing Australia.

However, the reasons for our long-term loss of international competitiveness are deeply imbedded in structural imbalances in the domestic economy and a punitive cost structure.

The recent Cairns meeting of the Four Traders In Agriculture group and other moves to assist bilateral trading relations with China are moves by the Hawke Government to address our external problems.

The accord, various industry plans, cumulative policy initiatives such as floating the dollar, and tax reform changes in the policy mix - highlighted by the Budget and moves to review restrictive work and management practices - are part of a substantial but only partial attempt to correct our domestic problems.

The magnitude of our problems is shown by how badly we have done compared with our trading competitors over the past decade.

The GATT report shows Australia has slipped to 22nd on the list of world exporters, from a 1973 position of 13th.

We have been overtaken by Singapore, Spain, East Germany, Brazil, Saudi Arabia, China, South Korea, Hong Kong and Taiwan. The only countries to have fared worse than Australia are Iran, which has been besieged by war, and Poland, which has suffered debilitating internal unrest.

The crucial conclusion of the report is that "less trade means less growth and less growth makes servicing debts harder, not easier".

While this comment was directed more at the true Third World countries - we are not yet a banana republic despite the comments of the Federal Treasurer, Mr Keating, and other commentators - it highlights the conflicting problems facing the Government.

Mr Keating has adopted a tight monetary policy to stabilise the dollar and reduce domestic demand for imports, to help turn around the current account deficit and pay off our foreign debt.

Unfortunately, however, the results of a tight monetary policy - high interest rates -

are a disincentive to investment, which is drastically needed if industry is to take advantage of the 40 per cent depreciation of our dollar and improve industry efficiency and competitiveness.

Mr Keating used the Economic Planning Advisory Council (EPAC) meeting last Friday to demonstrate the commitment of the Government to continued tight monetary policy.

The main purpose of the exercise was to provide greater certainty to foreign exchange markets about economic management, and to show business that the gains of the existing depreciation would not be lost.

Mr Keating said: "While the Government has established the foundations for a reduction in interest rates, it will not engineer a premature reduction. To do so would put at risk the prospects of financial market and exchange rate stability."

The preoccupation of the Government with the level of the dollar arises out of the political fallout that occurs with exchange rate instability and perceived inability to manage the economy.

Mr Keating has become well aware of the sensitivity of the foreign exchange market to bad economic indicators or off-the-cuff comments. His present comments are designed partly to create a more stable environment.

The success of this move will be gauged later this week when the balance of payments and labour force figures for August are released on Thursday.

Market analysts are forecasting a trade deficit of between \$1.4 and \$1.7 billion. If the figure is higher than that

for July of \$1.6 billion, the foreign exchange markets will probably react by selling the dollar.

This would push the currency down and force the Reserve Bank to intervene to support the dollar at the benchmark level of 60c set by the Prime Minister, Mr Hawke.

The extent of any adverse reaction will be determined by how large the deficit figure is and prior action by the markets to stay short in dollar positions, thus reducing their exposure to currency trading losses.

The financial markets, like Mr Keating, have had their fingers burnt before and are now much more cautious about currency speculation.

Mr Keating devoted a large section of his EPAC speech to argue that the accord had provided the necessary flexibility to adjust to the deteriorating economy and trade position.

Mr Keating produced OECD

figures showing a reduction in real wages since 1983, as proof that we had a better wage outcome than our main trading partners.

"The rate of change of flexibility in wages has been greater in Australia than in the principal OECD trading partners - a fact now fully appreciated in this country or abroad," he said.

However, a comparison of unit labor costs - a measure of wage and other labour costs which reflects productivity levels - shows that Australia has not fared as well as Mr Keating would like us to believe.

AUSTRALIA

OECD STUDY FINDS GROUNDS FOR OPTIMISM

Sydney THE AUSTRALIAN in English 13-14 Sep 86 p 5

[Article by Robert Hadler]

[Text]

THE flexibility of wages policy and the response of industry to opportunities arising out of the depreciation of the dollar are issues in the latest international review of the Australian economy.

Representatives of the Organisation for Economic Co-operation and Development arrived in Australia last week to review government policy and structural problems in the economy.

The low-key OECD visit had gone largely unnoticed but was well timed, coming as Moody's downgraded Australia's credit rating from AAA to AA1.

The OECD mission has had an opportunity to assess reaction to the issues highlighted in Moody's review - "the economic and structural weaknesses that cloud the nation's flexibility for serving long-term debt over a five to 10 year time horizon."

The mission is a key part of the OECD's regular survey of the Australian economy.

An especially positive topic this year is "industrial performance and policies."

The OECD's previous economic survey of Australia was published in June last year. It analysed the policy framework, including wages, prices and incomes policy, fiscal policy and monetary policy in a deregulated environment.

Analysed

Its main focus was the nature of the financial deregulation but it also examined Australia's recent growth and short-term prospects.

The present mission is believed to be examining Australia's recent economic problems, including the deterioration in the balance of payments, low investment and growing unemployment.

A surprising aspect of the 1985 survey was the lack of critical comment on Australia's worsening international debt. It noted the trade deficit problems but somewhat optimistically saw an early turnaround.

"The recent fall in the Australian dollar, if maintained, should lead to a positive contribution from the foreign balance, particularly in 1986, and to some narrowing of the current account deficit," it said.

The OECD economic outlook published in May this year did not significantly alter this view of Australia.

This view should now be radically altered after the continuing deterioration in the trade deficit this year despite the depreciation of the dollar and the lower, but still high, August balance of payments.

But the mission told The Australian that the OECD still appeared to be more optimistic about the Australian economy although it recognised structural problems.

The mission indicated there was too much rigidity in the centralised wage fixing system and that greater flexibility was needed to respond to trade and debt problems.

But the OECD apparently was not convinced a deregulated wage fixing environment would produce a better wage outcome for Australia.

The 1985 survey noted "the medium-term advantage won by the accord is that aggregate wage movements have been contained".

Rigidities

The OECD mission was also concerned about the limited extent to which import replacement had occurred despite the 40 per cent depreciation of the currency.

Structural rigidities, such as protection barriers, were viewed as impediments.

The OECD indicated a turnaround in the economy was some way off but that it might be quite rapid when it occurs.

It said greater efforts were required to stabilise the foreign debt and growth problem, including further depreciation - which would bring higher real interest rates, lower investment and higher unemployment - and lower real wages.

The OECD mission is led by Mr Jean-Pierre Tuveri of the OECD's economic and development review committee.

The mission has held talks with the Treasury, other government departments, research bureaux such as EPAC and the Reserve Bank.

The mission has had separate discussions with the Treasurer, Mr Keating, the Minister for Industry, Technology and Commerce, Senator Button, and the president of the ACTU, Mr Simon Crean.

It also had talks with several non-government institutions and industry representatives.

The OECD will discuss its findings with Treasury officials before publishing its survey results in early 1987.

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AUSTRALIA

FOREIGN AID BUDGET REPORTED; PHILIPPINES, LAOS GAIN

Sydney THE BULLETIN in English 9 Sep 86 p 130

[Article by Stuart Inder]

[Text]

CANBERRA'S \$10 million cut in aid to Papua New Guinea this year has been accepted within the PNG government almost with a sigh of relief — given the Hawke budget restraints that befit the country's new banana republic status. PNG recognised that the figure might have been worse. What is clear from a detailed study of Australia's entire overseas aid program in the wake of the budget is that the rest of the South Pacific, and South East Asia, have no cause for alarm either — they haven't come out of it too badly.

The government has taken to heart the recommendations of the Jackson committee report on overseas aid, and concentrated its aid on the immediate region rather than scattering it to the four winds as in the past.

The new concentration has kept the figures fairly high in the bilateral programs for the South Pacific and South-East Asia in 1986-87 despite a cut of about 7 percent in Australia's total aid bill compared to last year. The total for the coming year is \$960m.

The figure brings down Australia's ratio of aid to GNP to 0.29 percent compared to 0.46 last year, but it still remains above the average of 0.35 percent. Even the US last year managed only 0.24 percent (the same as NZ) on the official Development Assistance

Committee list of the OECD, and Japan 0.29. PNG this year will get a total of \$328.2m, principally as budget support they can spend any way they want, compared to last year's \$320.2m. Despite the cut in the figure that PNG had been led to expect, PNG still accounts for 34 percent of Australia's entire aid program, compared to 31 percent in 1986-86.

PNG aid is allocated separately to aid in the South Pacific, which will be \$54m, compared to \$52m last year.

Allocations by country have dropped below last year's figures in actual terms only in the case of Fiji (\$15.2m compared to \$15.6m last year) and Western Samoa (\$4.3m compared to \$5.9m), although of course all the figures are down if inflation is taken into account. Vanuatu is up to \$5.6m, compared to \$5m last year.

Country for country, the South Pacific does better than South East Asia, but here again the overall picture is hardly grim. Total aid for South East Asia in 1986-87 will be \$104 million compared to last year's \$111m.

Two nations have in the circumstances done quite well — the Philippines is to get \$21.1m instead of last year's \$14.1m, in the wake of what Canberra sees as the trends of the new post Marcos

government, and Laos will get \$6m (\$3.8m last year). China in the new year is to get \$20m, and the Indian Ocean island states \$5m.

Foreign Minister Bill Hayden has made it clear he hopes the new cuts are temporary and that Australia will return to real growth in its overseas aid program. But it seems certain that the new pattern of greater concentration on the Pacific region will be continued, whatever the size of the cake.

Among the losers have been the multilateral programs, the United Nations agencies, particularly voluntary contributions to various programs. Support or voluntary funds of United Nations agencies and of Commonwealth and other international and regional organisations are down 25 percent on last year, to \$48.3 m. □

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CSO: 4200/65

AUSTRALIA

RESEARCH INSTITUTE PREDICTS PROTRACTED RECESSION

Sydney THE AUSTRALIAN in English 8 Sep 86 pp 1, 2

[Article by Robert Hadler]

[Text]

AUSTRALIA is faced with the imminent prospect of a protracted recession, according to the Westpac-Melbourne Institute of Applied Economic and Social Research.

The group's leading index of economic activity, released yesterday, says, however, that "the real forces and commitments which will largely determine economic activity suggest that the recession may not be too severe".

The index has now been below the growth trend of the Australian economy for eight successive months, clearly long enough to foreshadow a recession.

The chief economist of Westpac, Mr Bob Graham, said it was premature to classify the economy as being in a recession.

He also said: "There are indications that economic growth could be about to pick up again in the US. Expansion in the US could feed through to Australia and limit the severity of our recession."

Flagging company profitability and uncertainty about the direction of wages policy are quoted as the main additional problems to the current account deficit.

"Australia is not only having to grapple with a deterioration in its terms of trade, but also with a mounting external debt problem," Mr Graham said.

"The more you look at the negative factors, the more that the Budget prediction of 2.5 per cent growth in 1986-87 seems unduly optimistic."

Outlook

The Treasurer, Mr Keating, said last night that the Government was confident the sharper economic downturn predicted by Westpac would not eventuate.

"Despite a 2.2 per cent increase in June, and rises in six of its nine components, which Westpac claims to point to the onset of a real recession, a slow down in activity is fully consistent with the economic outlook I outlined in the Budget," Mr Keating said.

"While leading indices of the type sponsored by Westpac may be helpful on some occasions, it appears that in the current circumstances the components of this particular index are not well structured to properly detect the contribution to growth from new export and import replacement activities."

Mr Keating said the Budget had forecast that during this financial year the great bulk of Australia's economic growth would come from those sources, while growth in domestic demand would be moderate.

"It is pertinent to observe that this growth picture was

largely confirmed by a cross-section of private-sector forecasters recently," he said.

The index coincides with the release of figures from the ANZ Bank showing that the average number of job advertisements in metropolitan daily newspapers fell by 2.6 per cent during August, seasonally adjusted.

The fall, the fourth consecutive monthly decline, has reduced the number of advertisements to a level 9 per cent lower than one year ago.

The downturn confirms that the slowdown in the economy is now being felt in the labour market.

The Confederation of Australian Industry (CAI) took a pessimistic view of the economy on Friday when it issued a resolution setting out the

steps it believes are needed to bring Australia out of recession and turn around the continuing decline in the community's standard of living.

The director-general of the CAI's industrial council, Mr Bryan Noakes, said: "What is clear is that the economy has been in deterioration for some time, that some of our major industries are unable to compete on domestic and international markets, and that the level of domestic and overseas confidence in our economic future is declining."

The CAI strategy for recovery includes continuing labour cost restraint, a review of restrictive work practices at industry and other levels, continued restraint in increases in directors' fees and executive remuneration, and continued restraint in price movements.

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CSO: 4200/65

AUSTRALIA

GUARANTEED MINIMUM WHEAT PRICE CUT 13 PERCENT

Sydney THE AUSTRALIAN in English 5 Sep 86 pp 1, 2

[Article by Paul Austin]

[Text]

THE Federal Government yesterday slashed the guaranteed minimum price (GMP) for wheat by more than 13 per cent, placing about 10 per cent of Australia's 70,000 grain farmers "at risk", according to the National Farmers Federation (NFF).

West Australian farmers would be hardest hit by the fall in the GMP, although wheat belts in South Australia, Victoria and Queensland would also be affected, the deputy director of the NFF, Mr Rick Farley, said.

The Minister for Primary Industry, Mr Kerin, said the preliminary GMP for Australian standard white wheat for the 1985-86 season would be \$130.62 a tonne, down \$20 on last year's final GMP of \$149.87.

Mr Kerin said the drop reflected the continuing decline in world wheat prices as a result of the controversial high-subsidy policies of the United States and the European Community.

"To remain competitive, Australia will have to match those policies," he warned.

Mr Farley said the fall in the GMP was likely to force some wheat farmers off the land, and would have a "negative impact" on land prices.

The Senior vice-president of the Victorian Farmers Federation, Mr Michael Cock, said average wheat farmers who produced 500 tonnes a season would lose \$10,000 in the value of their crop because of the Government's decision.

He said their plight would be exacerbated by increases in input costs, such as grain handling, fuel and labour.

"Obviously, people will just have to very carefully study their whole farming operation and consider all possibilities to diversify to increase their gross income," Mr Cock said.

Many wheat farmers would be forced to consider planting alternative crops, such as sunflowers or peas, or diversifying into wool or meat.

Under the new price structure announced by Mr Kerin yesterday, the preliminary GMP for Australian prime hard wheat is \$148.62 (down from the final GMP last season of \$174.87), Australian hard wheat \$135.62 (\$154.87) and Australian feed wheat \$85.62 (\$114.87).

Mr Kerin said the prices had been set after advice from the Australian Wheat Board and the Bureau of Agricultural Economics.

The announcement of the preliminary GMPs now, instead of by October 1 as

provided for in legislation, would help growers to manage their finances.

"The final GMPs for all categories of wheat will be decided around February next year, when a re-examination of the world market price for the current crop will be made," Mr Kerin said.

The managing director of the Australian Grain Corporation, Mr Desmond Cooper, last night condemned the Federal Government for abandoning wheat farmers in their hour of need.

Mr Cooper said that by lowering the GMP the Government was forcing farmers to bear the brunt of the international trade crisis.

"To drop the guaranteed price like this is one of the last nails to go into the farmer's coffin," he said.

"The guaranteed minimum price frankly isn't worth a stamp because they (the Government) keep setting it in line with the world price, so the Government doesn't have to do it."

Mr Cooper called on Australia to "fight fire with fire" by subsidising wheat farmers to the levels US and European farmers enjoy.

He said this would be in the national interest, because the Australian economy relied so heavily on agricultural exports.

"If you destroy agriculture in Australia you destroy a nation," he said.

"Agricultural products still make up 48 per cent of Australia's national export income."

Mr Cooper said the Government was wrong to be aiming to increase the competitiveness of manufacturing industry, because labour costs were so high that the country could never compete in that sector.

"If we're not competitive in agricultural products, what the hell can we be competitive in?" he asked.

Mr Cooper said that even if the Government had kept the GMP at the same level as last season, farmers would have faced a real fall in income of about 8 per cent because of the rise in the consumer price index.

Australia is leading an international protest against the US and European subsidy war, which is threatening to force world agricultural prices still lower.

The Minister for Trade, Mr Dawkins, has succeeded in forming a new alliance of 14 non-subsidising nations that will pressure the leading subsidisers to abandon their policies at the new round of General Agreement on Tariffs and Trade (GATT) talks in Uruguay later this month.

Mr Parley said the reduced minimum price made the campaign against subsidies to be pursued at the GATT talks even more important.

A delegation of Australian farm leaders, headed by the president of the National Farmers Federation, Mr Ian McLachlan, is in the US to lobby US farmers to change their policies.

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CSO: 4200/65

AUSTRALIA

COLUMNIST ANALYZES HALFPENNY CAREER, AMBITIONS

Sydney THE AUSTRALIAN in English 9 Sep 86 p 15

["Politics: A Personal Viewpoint" by B.A. Santamaria: "The Rise of John Halfpenny"]

[Text]

LISTENERS to the ABC's talk-back programs were surprised last week to hear Mr John Halfpenny featured as guest-interviewer and impressed to hear that he had landed so big a fish as Mr Robert Holmes a Court.

The interview between "John" and "Robert" - as they familiarly addressed each other - was a model of discretion.

Only six months ago the former communist union leader had pledged the Amalgamated Metal Workers Union to a fight against the "corporate cannibalism" of takeovers, and promised to "monitor the activities of corporate raiders such as Mr Robert Holmes a Court".

With Mr Halfpenny's "corporate cannibal-in-chief" at the end of a line in New York, the interviewer surprised by barely raising the contentious issue, preferring to discuss the Perth magnate's views on Edward de Bono and lateral thinking. For his part, Mr Holmes a Court warned Australians against excessive self-interest, which degraded political decision-taking.

The Melbourne Age's Tom Dugan had already revealed that Mr Holmes a Court "is actually a close friend of the Metal Workers' outgoing secretary".

John Halfpenny had indeed arrived.

Mr Halfpenny's career is remarkable.

He comes from one of Australia's strongest communist families, his father being remembered as one of the key party members in the Victorian Railway Service in the days when to be a party member was to be a Stalinist, and consequently to be clear about ends and means.

The education of young John proceeded through the Eureka Youth League, in which his qualities of leadership became so apparent that the central committee of the Communist Party selected him to go for higher training to the Soviet Union.

He studied full-time at one of Moscow's party schools for about 15 months from 1961 to 1963, becoming an accomplished Russian speaker.

After this, his industrial ascent was meteoric. In 1972, Mr Halfpenny became Victorian State Secretary of the AMWU - today the dominant influence in the ACTU - a member of the Communist Party's National Industrial Committee and later a member of the ACTU Executive.

It is at this point that Mr Halfpenny's career begins to confuse even the careful student. The Communist Party of

Australia split first in 1963 and again in 1970. The CPA (Australian faction) was critical of the Soviet Union. A strong reaction from the pro-Soviet group developed around Mr Pat Clancy of the Building Workers Industrial Union. With the financial assistance of the Soviet Union, it broke away to establish the SPA (Socialist Party of Australia) in December 1971.

When Mr Halfpenny stayed with the CPA, he should have been excommunicated by the pro-Soviet leadership, as were his colleagues. In his case, there was a noticeable difference. Far from being excommunicated, Mr Halfpenny visited the Soviet Union during 1971, ostensibly to attend the International Social Services Conference with Mr John Benson of the safely pro-Soviet Seamen's Union.

During 1974, the PLO picked up the tab for Mr Halfpenny's visit to the Middle East where he met leaders of the PFLP and of Al Fatah. During 1978, he made another "unofficial week-long visit" to Prague where, in company with Mr Pat Clancy (whose pro-Soviet loyalty was beyond doubt), Mr Halfpenny attended the Conference of the World Federation of Trade Unions, which is an agency of the Soviet communist government.

The Soviet's WPTU decided to organise a Pacific Trade Union Federation for reasons not entirely disconnected with Soviet policy in our region.

On his return to Australia, Mr Halfpenny assumed the central organising role in this new body. He effectively directs it to the present day.

The Pacific Trade Union Federation's published policies and statements have been uniformly hostile to the American presence in the South Pacific, to the French presence in New Caledonia, while remaining significantly silent on the now-undisguised Soviet policy of penetrating the region.

The next stage in the political odyssey of Mr Halfpenny was reached in 1979 when he left the Communist Party to join the ALP, carefully emphasising that he had not changed his views but only the vehicle through which he would seek to realise them. Once again his party colleagues were extremely understanding with no sign of the accustomed "odium theologicum".

On behalf of the Victorian State Committee of the CPA, Mr Bernie Taft issued a statement concluding "We look forward to continued work with John Halfpenny as we do with others in the labour movement". This charitable objective was facilitated when some two-thirds of the CPA's State Committee followed John's footsteps. The Socialist Left of the Victorian ALP has now decided to put Mr Halfpenny into the Senate, that is, if it can be won from No 3 position on the Labor ticket.

If Mr Halfpenny makes it, his ability will almost at once make him leader of the Parliamentary Left, putting an end to Mr Gerry Hand's somewhat improbable pretensions to leadership.

Short of a miracle - which admittedly does happen occasionally in politics - the next election will see Labor relegated to the Opposition benches. It is hard to see Messrs Hawke and Keating, the architects of a so-called bankers budget, being permitted to survive.

What more natural than that Mr Halfpenny should gravitate from the Senate to the House of Representatives - which was his original ambition when the Scullin seat became vacant - which will prepare the way to a left-wing Labor Cabinet position, and perhaps the prime ministership? Heady stuff indeed.

Strangely enough, such a controversial evolution no longer excites any comment in this country.

The Communist Party is a legal political party. The Security Appeals Tribunal has decided that the CPA is not a security risk and that membership is no longer a ground for refusing public servants access to the most highly classified documents. ASIO has abolished surveillance of communists. The Federal Police are prohibited from maintaining surveillance over the so-called "peace movement".

Why shouldn't Mr Halfpenny fulfil the same leadership role in Australia's political life as Mr Holmes a Court does in its economic life?

AUSTRALIA

WEEKLY REPORTS ARMED FORCES RESIGNATIONS, 'PLUNGING MORALE'

Sydney THE BULLETIN in English 7 Oct 86 pp 26, 29

[Article by David Barnett: "Officers March From a Dilapidated Force"]

[Text]

THE RESIGNATION rate of officers from the Australian Defence Force jumped by 46 percent in the first three months of this year, and by 47 percent during the second three months, pointing strongly to plunging morale among servicemen. More than 1000 have marched out in the past 18 months.

Of particular concern is the resignation rate among pilots who cost \$1 million to train. They are leaving at a faster rate than they can be replaced.

At the core of the discontent are pay and conditions. Men at sea, or on exercise, can be confident that if the shabby and unpainted married quarters where their wives and children are living should develop a leaking roof or a faulty door, nothing much, or nothing at all, will be done about it. Their pay has gone up, but at about one-third the rate of the public service.

The resignations are also taking place against a background of confusion over government policy produced by the Dibb Review of Defence Capabilities, which looked better when it was first published than it does now after examination and consideration by serving officers.

The chief significance of Paul Dibb's review is its immense pragmatism. He served up recommendations which fitted the Labor government's financial cloth, which accommodated the Labor Party's left wing and which complemented the thinking of Defence Minister Kim Beazley. That is, it proffered reducing the scale of Australian operations by redefining goals away from support for the Western alliance to low-level emergencies, running down the tank corps and the artillery, and leaving the army with out-of-date armored personnel carriers.

Apart from the questionable nature of these attitudes and of the strategic thinking which will inevitably form the basis of next year's Defence white paper, the chronic defence force problems of poor pay and conditions have now reached a critical level.

Despite an unemployment rate of 8.3 percent, the total strength of the defence forces has fallen below 70,000.

The diggers were bitterly disappointed with last year's 5.9 percent pay increase, their first for many years. It was awarded by the Defence Forces Remuneration Tribunal established by Beazley, but without retrospectivity. An official navy report on re-

action among servicemen to the award was that many believed the pay case before the tribunal had been a public relations sham. In the year since things have only become worse.

The experiences of a recently resigned young officer in the regular army sum up the problems. At no time in the three years after his graduation did he ever command a full strength platoon (30 riflemen, 15 in reconnaissance and 35 in transport). At no time were all his rifles and machine guns operational. At no time did he ever have a soldier under his command who did not have personal problems over married quarters, pay, allowances or some other difficulty inflicted by the defence bureaucracy. Ammunition was always difficult to obtain, and ordnance such as grenades, anti-tank rockets, smoke and mines were almost unheard of.

Soldiers could spend their entire three years of enlistment without firing the claymore mines they carried, or the anti-tank rockets. Even blanks were in short supply, with riflemen being given only 20 rounds for a three-week exercise. Communications equipment is out of date and inadequate, and army vehicles are "clapped out".

Landrovers are 30 years old, and many trucks are more ancient. If half of them work, the availability rate is considered good. Soldiers may carry their own plugs and points to keep the vehicles going and must expect to have to make major repairs as a routine. The trucks are so few that they are heavily overloaded. Returning from an exercise last year broken down vehicles were left in four towns along the route. The pool from which vehicles are theoretically issued, when repairs cannot be done in 30 days, dried up years ago. It is common for a vehicle to wait six months before repair work starts, and it can take up to two years to fix a truck.

Soldiers are reluctant to re-engage, unless they have strong economic reasons. There is particular resentment towards public servants, who had pay increases totalling 18 percent in the three years during which the defence forces waited for their 5.9 percent.

As well as their pay, servicemen are concerned about the decision to tax superannuation lump sums, about the poor quality of housing for their families, the difficulty of getting home maintenance carried out and the decision to discount their superannuation by 2 percent, in line with the discount which the government will ask the Conciliation and Arbitration Commission to award at the next national wage case. The discounting of the defence pensions was put through the House last week. As Opposition Defence spokesman Ian Sinclair pointed out, discounting superannuation has a compounding effect, and over 10 years a single 2 percent cut amounts to about \$2000.

Sinclair describes the impact of officer resignations on the defence forces as a near-crisis heading towards crisis.

The jump in the resignation rate began in July last year. A year later Bearley announced a study. Sinclair says there should be a major review of pay conditions by the Defence Force Remuneration Tribunal against the standard of pay and condition in the public service and the private sector. Over the past five years the proportion of defence spending going on salaries and allowances has declined from 54.2 percent (in 1981-82) to 43.7 percent (in 1984-85) and to 42.3 percent during the last financial year. During 1986-87 it is budgeted to decline to 40.7 percent.

As Bearley discovered from NSW Liberal Mike MacKellar during question time, the department has been endeavoring to entice retired officers back into service on terms which do not affect their pension rights.

Apart from pay, lack of equipment, and the lack of funds for training and for exercises, there are the question marks now raised over strategic assessments under the Hawke government. To give Dobb his due, a future government could restore some military credibility with a few simple decisions. The F-111 upgrade could go ahead, restoring its deterrent capacity. The tanks and the heavy artillery could be saved from the mothballs for which they are destined or transferred from the reserves to the regular army, although it is

likely that the decision to build the ridiculous diesel-powered four-knot submarines will be made and set in concrete before the next elections.

But as things stand, Beazley's aim amounts to orienting the Australian Defence Forces to fight limited military actions only against friends and neighbors, and notably against Indonesia, which has been in a state of rage towards Australia ever since the Dibb report was published.

At the same time, the ability of the defence forces to function as a Western ally, and thus to make a contribution to the global deterrent in partnership with the United States, is also disappearing. The Hawke government's decisions to scrap the aircraft carrier and to replace old slow obsolete submarines with new slow obsolete submarines incapable of making any impact at all on the huge Soviet Pacific fleet, because of their non-nuclear engines, ensures that. □

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CSO: 4200/65

BURMA

U AYE KO ADDRESS ON PADDY PLAN, TRADE

BK181208 Rangoon Domestic Service in Burmese 1330 GMT 17 Oct 86

[Text] U Aye Ko, general secretary of the Burma Socialist Program Party [BSPP], today met with and addressed secretaries and chairmen of the party regional committees and chairmen of the people's councils from states and divisions in the conference hall at 0830 this morning at the BSPP Central Committee headquarters.

The meeting was attended by U Sein Lwin, joint general secretary of the BSPP; U Tun Yi, U Chit Hlaing, U Hla Tun, U Sein Tun, Thura U, Saw Pru, and Lieutenant General Saw Maung, members of the party Central Executive Committee; U Tha Kyaw, chairman of Party Inspection Committee; U Ohn Kyi, chairman of Party Discipline Committee; U Khin Maung Ghi, trade minister; U Than Hlaing, minister of cooperatives; Brigadier General Than Nyunt, minister of agriculture and forests; personnel from the Central Committee headquarters; and chairmen of Military Command and Division organizing committees.

The meeting was presided over by BSPP General Secretary U Aye Ko with U Maung Maung U, secretary of the Committee for Cooperatives, Agriculture, Livestock Breeding, and Forestry Affairs, acting as secretary of the meeting.

In giving guidance at the meeting, BSPP General Secretary U Aye Ko said that it is common knowledge that the state is endeavoring to meet the basic needs of the people for clothing, food, and shelter and to lift the peoples standard of living through the system of economic plans.

He added that, to a certain extent, these plans are being affected by repercussions from the world economy with which they are interrelated. These repercussions are at present affecting everyone's need for clothing, food, and shelter. It is especially necessary to give priority to solve the issue of rising commodity prices, particularly food, confronting the people.

He said that the party Central Headquarters has been giving guidance to party, state, and mass and class organizations to play their parts fully in implementing the future tasks laid down by the party congress which are aimed at raising the people's living standard. They are to strive to ensure a substantial increase in the cultivation and production of paddy and other crops.

He added our country's population is 37 million at present, but it is expected to reach 50 million in 14 years, in the year 2000. It is the responsibility of all to make the necessary preparations to produce food for the increased population. Rice is the main staple food in Bur and currently paddy cultivation acreage is over 12 million acres. It is estimated that 15 million acres can be put under paddy cultivation with the development of virgin land. Only if this 15 million acres of paddy are cultivated and an average yield per acre of 60 baskets of paddy is achieved will we be able to provide food for a population of 55 million. Hence, it is imperative to strive to expand the paddy cultivation acreage to 15 million and to improve the average yield per acre. It will be necessary to proportionately expand cultivation of other crops in expanding paddy cultivation acreage.

He advised that necessary preparations should be made to collect accurate and correct data in respective regions on population, areas under cultivation, acreage for double cropping, land allocation, and effective distribution of crops produced.

He noted that seasons for preparation of land, seeding, and transplanting for paddy production have now passed and that during the current period of paddy cultivation it is necessary to perform work on time and supervise systematically in accordance with the plans.

He said that the weather conditions in most places were good this year and that it is expected that 687.3 million baskets of paddy will be produced. He said that members of the paddy cultivation supervision committees and their support teams have duly carried out their supervision work in their respective areas.

U Aye Ko then continued to give advice on model plot harvesting and control of wastage. He said detailed guidance must be given on model plot harvesting to get accurate information on paddy production rate. The party, people's council and departmental functionaries and peasants are to participate in model plot harvesting and guidelines laid down on grades of paddy and strains are to be followed in respective villages and (?plots). Harvesting should be carried out at the most appropriate time to prevent waste and that harvesting teams must be systematically formed to harvest on time on prescribed areas.

Regional party committees are to provide leadership in organizing volunteers from nonfarming communities to work as volunteers for carrying paddy sheaves during the harvest season in townships and villages under their jurisdiction. Party organizing committees are to organize Armed Forces personnel for their annual participation in farmwork with the people during this year's harvest season. He urged the party to render its leadership to the mass movement in cultivating, harvesting, milling, and transporting of paddy to shelters.

He said according to the paddy procurement plan for this year, surplus paddy from peasants will be procured according to the plan after they have set aside paddy for seed, their own consumption, and payment in paddy for wages. Various levels should explain this fair practice to the farmers until they understand. It is fair since guarantees are given to farmers for their consumption and needs.

He said since the paddy trade will be handled by the state and cooperative societies, private merchants and brokers must be prevented from participating in paddy trade. It will be necessary to take effective measures against them in accordance with law if they are found to engage in it.

Targets have been set for cultivation of winter crops after the paddy harvest. Among the winter crops pulses such as Matpe, Pedipe, Butter beans, Suntani, Suntapya, Pensinngon, Peyin, and Pebyugale are being exported and there is a ready market for these pulses abroad and they fetch good prices. It will be necessary to earn foreign exchange by expanding cultivation of pulses which has a market abroad and earn good prices. Hence regional party committees are to find ways and means to cultivate these pulses.

On fisheries, he said the country is rich in fish and prawns and that guidelines have been issued on fish and prawns production for local consumption as well as export. Production of fish and prawns are being systematically expanded in Irrawaddy Division, Rakhine State, Tenasserim Division, and Mon State. He says efforts must be made in this sector for sufficient local consumption and export.

Speaking on guidelines on forestry conservation and development, he said the forestry sector is earning a lot in foreign exchange. He says some unscrupulous elements are colluding with some corrupt government employees and some authorities in recklessly extracting timber, thus depleting the valuable forests. He said this should not happen and that authorities concerned should take effective measures to prevent such reckless extraction. He said that regional bodies concerned should take measures against waste of extracted timber.

Next, he spoke on the role of cooperatives in commodity distribution. He said that cooperatives are to distribute speedily and properly to the people the products from the agriculture, fishery, meat, and forestry sectors. It has been reported nationwide that goods issued to cooperatives are sold in either Rangoon or on the way to the designated townships and that goods were distributed to people only after the divisions and townships have divided a good percentage of the goods among themselves. Because of this, consumers cannot not easily purchase the commodities they need.

It is now imperative for the responsible authorities to help solve the people's problems in meeting their basic requirements and to facilitate purchase of commodities.

Speaking on government employees, he said there are honest and responsible employees as well as corrupt and reactionary employees. He said these corrupt, selfish, and reactionary practices result in wastage and financial loss as well as decline in morality and conduct. Furthermore, some government employees' conduct is affecting the country's and people's prestige and is obstructing the country's development.

He said that the corrupt employees' deeds could cause the people to lose faith in the state's and the party's endeavors. He urged effective measures against

and prevention of bribery and corruption by public servants in state organs and enterprises and for exposure of bribery and corruption by public servants in accordance with the guidelines.

He said, on the other hand, it is necessary for the authorities concerned to attend to the welfare of employees. He said when the entire people fully understand the efforts being made by the state and carry out their respective duties, the momentum of national development would be further accelerated.

He said state economic, organizational, and management affairs must be synchronized. Only then, he said, will there be progress and success. He then called for united and collective efforts to achieve progress and success.

Next, U Sein Lwin, party joint general secretary, addressed the meeting, saying that the general secretary's guidance must be taken as a directive and must be observed accordingly. He said that work on paddy cultivation for this year is two-thirds completed and that the second survey is to be carried out.

He said after the survey is carried out, work on model plot harvesting will be continued and that it has to be carried out according to the guidance. He said work on model plot harvesting must be carried out seriously as it is necessary to get correct data on the real situation.

He said that regional party committees are to compile reports on model plot harvesting and send them to the Party Central Headquarters and plans contained in the reports are to be implemented effectively. Paddy production data will be known after the completion of model plot harvesting.

It will be necessary to compile data on paddy consumption needs of each household in each village to effectively and correctly carry out procurement and distribution of paddy. It will be necessary to correctly fill out forms on the method of estimating paddy consumption needs of each household. It will be necessary for divisions and states to coordinate among themselves to prepare for paddy procurement and distribution. If possible, they should distribute paddy produced within their respective regions and make necessary coordination with the Trade and Cooperatives Ministries. It will be also necessary to make transportation arrangements in advance to distribute paddy and rice in areas where they are needed.

He said it is believed that problems can be overcome next year if the current task in paddy cultivation, procurement, and distribution is successful. Hence, regional party committees and divisional and state people's councils are urged to relentlessly and diligently carry out their assigned tasks.

Next, chairmen of the regional committees from the states and divisions present in details the reports on paddy cultivation, procurement, transportation, storage, milling, and distribution for 1986-87 and their submissions were discussed by ministers concerned.

Those present at the meeting then observed the weighing of various grades of paddy demonstrated by the cooperatives ministry.

BURMA

VOPB GIVES BATTLE REPORTS FROM SHAN STATE

BK191224 (Clandestine) Voice of the People of Burma in Burmese 1200 GMT
18 Oct 86

[Text] Combat news: On 8 September 1986 a small People's Army unit conducted a mine attack in (Takyinpa) in Kunlong region resulting in three military government mercenaries being killed and five wounded.

On 9 September a people's mine attack at a place east of (Nankha Chaung) in Mawhpa region wounded five mercenaries, including a captain from the military government's mercenary 6th Infantry Regiment.

On 27 September a small People's Army unit attacked (?a patrol) near (Chonho) village in (Panhlaing) region, killing three mercenaries and wounding several.

Combat news from the Shan State Army [SSA]:

On 14 September a small SSA unit clashed with the military government's 17th Infantry Regiment near (Napaik) in (Pasam) region in Mong Kawng. Three enemy soldiers were killed and three were wounded during the clash.

On 17 September a small SSA unit and the military government's mercenary 67th Infantry Regiment clashed in (Hona) in Tangyan. Nine mercenaries, including a mercenary officer, were killed and eight were wounded during the clash.

On 19 September a small SSA unit attacked the military government's mercenary 88th Infantry Regiment at (Naung In) in Wan Li, wounding three mercenaries.

On 23 September a small SSA unit attacked the military government's 33d Infantry Regiment at (?Namlin) in Nawngkan and killed three enemy soldiers, including two officers.

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CSO: 4211/5

BURMA

BRIEFS

COMMODITY LOAN FROM FRG--A memorandum of understanding was signed by FRG Ambassador Dr Walter Von Marschall and Deputy Planning and Finance Minister U Nyunt Maung at a ceremony held this morning in the conference hall of the Ministry of Planning and Finance. Under the agreement, FRG will provide Burma with a commodity loan of DM15 million to be used in procuring raw materials and machinery spareparts for the country. The commodity loan carries no interest and only a service charge will have to be settled. It is repayable over 50 years, including a grace period of 10 years. [Text] [Rangoon Domestic Service in Burmese 1330 GMT 9 Oct 86 BK] /7358

CSO: 4211/5

FIJI

TARIFFS BLAMED FOR POOR ECONOMY, INDUSTRIAL PERFORMANCE

Port Moresby PAPUA NEW GUINEA POST COURIER in English 8 Oct 86 p 1

[Text]

FIJI'S economy has been faltering.

And tariffs have been blamed for the country's recent poor industrial performance.

The Reserve Bank of Fiji yesterday called for the reasons for the nation's production index falling for the sixth consecutive quarter.

Excluding sugar, Fiji's chief export-earner, industrial production fell by 5 per cent during the quarter compared with the same period of 1985, the bank's quarterly review said.

"The causes of the continuing poor performance need to be examined."

The review went on:

"The over-reliance on a strategy of import substitution behind highly-protective tariffs may well be a major cause of the stagnation in this sector."

Statistics in the report showed falls in most food-related products, wood products, paints, cement and metals.

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CSO: 4200/61

INDONESIA

ASEAN-EC MEETING ENDS: JOINT COMMUNIQUE ISSUED

BK211326 Jakarta Domestic Service in Indonesian 1200 GMT 21 Oct 86

[Text] The Sixth ASEAN-EC ministerial meeting ended in Jakarta this evening. The meeting produced a joint communique expressing the two regional groupings' agreement to solve various political and economic issues affecting them.

On the Cambodian problem, the ministers stressed that the continued Vietnamese military occupation of the country poses an obstacle to the realization of peace and stability in Southeast Asia. In this connection, efforts to solve the Cambodian problem must continue in line with the UN resolutions and the International Conference on Kampuchea. The ASEAN and EC foreign ministers also called on Vietnam to begin serious negotiations on the withdrawal of its troops from Cambodia.

On economic matters, the foreign ministers agreed on the need to increase EC investment in ASEAN countries. They also praised what had been achieved by the High-Level Working Committee on Investment and urged ASEAN countries to continue offering long-term opportunities for bilateral economic cooperation.

After the meeting, a joint press conference was held and presided over by Foreign Minister Mokhtar Kusumaatmaja in the presence of Singapore Foreign Minister Supiah Dhanabalan in his capacity as chairman of the Organizing Committee of the Sixth ASEAN-EC meeting, Chairman of EC Council Geoffrey Howe, and EC Commissioner Claude Cheysson. During the press conference, both sides expressed their desire to continue cooperation and consultations on matters of mutual interest.

Foreign Minister Mokhtar attributed the success of the ASEAN-EC meeting to [words indistinct].

ASEAN and EC foreign ministers began leaving Indonesia for home this evening. Meanwhile, the Netherlands and Italian foreign ministers are scheduled to hold talks on bilateral issues with Foreign Minister Mokhtar tomorrow.

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CSO: 4213/8

INDONESIA

BRIEFS

MOKHTAR'S ITALIAN, NETHERLANDS COUNTERPARTS--Foreign Minister Mokhtar Kusumaatmaja and Italian Deputy Foreign Minister (Bruno Corti) in Jakarta yesterday discussed bilateral relations between Indonesia and Italy. Minister Mokhtar said both countries agreed to step up their trade ties. Indonesia enjoys a \$50 million surplus of the total value--\$250 million--in trade between the two countries. However, the total value is still considered too small. The foreign minister yesterday also met with his Dutch counterpart, Hans Van den Broek. Minister Mokhtar said both Italy and the Netherlands are interested in increasing trade relations with Indonesia. [Text] [Jakarta International Service in English 0800 GMT 23 Oct 86 BK] /12232

CSO: 4200/56

LAOS

USSR, SRV-AIDED ROAD REPAIR IN KHAMMOUAN REPORTED

Vientiane PASASON in Lao 22 Aug 86 p 2

[Article by Khounbousai]

[Excerpts] Routes 12, 8A and 8B in Khammouan Province have been old routes for many decades. They are now in run-down condition, many parts of them have been cut off, and many bridges have broken down.

After receiving the order and plenum on making the construction of communications route a sharp spear, in 1985 the Mountain Area Development Company was assigned by the party and government to repair and do construction work with the cooperation of technical cadres and workers from the USSR. The construction and repairs began in earnest in 1985, and include Route 8B from Tha Khek District to the intersection at Km 20 in Gnommalat District, Route 8A from the Km 20 intersection to Route 13 (Nam Thon), and Route 12 from the Km 20 intersection to Boualapha which adjoins the Vietnamese border for over 100 km. These three roads were comprehensively allocated to the units which are responsible for construction and repairs. In fact, the Lao Mountain Area Development Company invested and adopted a construction plan including construction vehicles for each unit responsible. The primary goal for the repairs of these three routes is that they be capable of being used by buses in the dry season. Also, repairs and inspections will be made where it is necessary for asphalt, dirt and crushed rock paving.

From the 1985 plan and continuing to the first 6-month plan of 1986, these three routes are basically convenient for travel. Transport buses can run in the dry season. There was also repair and reconstruction of various bridges on these routes, such as the bridges of Nam Phao, Nam Nium, Nam Kata, Nam Twang, Nam Ngang, Nam Heung, Houai Oo, Nam Phek, Nam Thing, etc. Lao technicians have also joined Vietnamese and Soviet technicians in inspecting and designing to cut several roads and have designed the construction of several bridges they thought necessary. Different bridges were basically improved by June of this year. From now to June 1987 Route 12 will be constructed for fairly permanent condition, especially Route 8A and Route 8B will be suitable for buses to run in both seasons. According to the construction and repair plan from the end of 1986 to early 1987 all the units concerned must put their efforts into making these routes serviceable on a normal basis.

The Mountain Area Development Company will also clear a number of new roads to different areas in these localities to make it possible for goods exchange by the people throughout, and to bring about a steady improvement in the standard of living for the people in mountainous areas.

LAOS

FURTHER REPORTAGE ON HANOI-VIENTIANE ECONOMIC COOPERATION

Vientiane PASASON in Lao Sep 86 p 3

[Article: "Hanoi-Vientiane Cooperation" (on the occasion of the 4th anniversary for the establishing of diplomatic relations between Laos and Vietnam, 9 June 1982 to 9 June 1986)]

[Text] Hanoi-Vientiane fraternal friendship and cooperation started in 1978 and has steadily and extensively been expanding in many ways. It has brought achievements in terms of construction work and the standard of living for the peoples of the two capitals, and has taken an important part in increasing the special friendship and all-around cooperation between the two parties, the two governments and the peoples of the two fraternal countries of Laos and Vietnam.

During 1978-83 cooperation between the two capitals started out with an exchange of delegations from various levels for the purpose of visiting and exchanging experience, assistance, in terms of experts, vacationing for health purposes, the training of cadres and workers and technicians, aid in material and equipment and installation, the construction of industry, handicrafts factories, etc. Hanoi Capital has assisted Vientiane with experts, in training managerial cadres, workers and technician, and has also taken in cadres from Vientiane for health care purposes in Hanoi.

As for construction, Hanoi Capital has sent materials, equipment and completed a number of installations, namely the Vientiane brick factory which produces 5 million bricks a year and 2 million tiles a year, two textile plants, and two sugar production plants, and has helped to solve several problems in

Since 1984 there has been extensive expansion in cooperation, and it has steadily and continuously increased in quality. The two capitals have cooperated in promoting the exchange of goods. Previously Vient sent cadres to be trained in Hanoi, but now Hanoi sends its experts and experienced instructors to help open training courses for cadres in Vientiane. The exchange of goods bring benefits to both sides, including imports and exports between the two capitals. At first Hanoi gave some capital to Vientiane, and has helped the capital to circulate quickly and in a timely manner and to increase the accumulated income. In the past 2 years alone there has been a rapid expansion in foreign trade for Vientiane. As for construction work, over the past two

years both capitals have worked together in the construction of nearly 10 different production centers such as paper production plant which produces 300 tons of paper products a year and 150 tons of paper per year. The glue and alcohol production plant produces 50,000 liters of alcohol and many other [items].

During the 6-year period of cooperation between Hanoi and Vientiane, nearly 20 mutual-interest organizations have been formed to provide an effective means of boosting the economies of both capitals.

From 1986 to 1990 both capitals have decided to improve their relationship including military solidarity and fraternal cooperation so that they become steadily fruitful and take an important part in strengthening the special solidarity and all-around cooperation of Laos and Vietnam, allowing it to expand profoundly and in every way uninterruptedly.

9884/12951

CSO: 4206/6

LAOS

VIENTIANE OFFICIAL CITES PRIORITIES IN DRAFT POLITICAL REPORT

Vientiane PASASON in Lao 26 Jul 86 p 2

[Views of Khambou Sounisai, member of the Party Central Committee and also chairman of the Vientiane Capital Administrative Committee, on how the people in Vientiane Capital are carrying out their political duty]

[Excerpts] After the issuing of the order of the Secretariate of the Party Central Committee on organizing and studying for the political draft report of the Central Committee of the LPRP, the party committee and the administrative committee of Vientiane Capital has begun to organize and to study since 26 June 1986 in all government and party organizations and in all levels from the party committee of Vientiane Capital on down to work sections, factories and different district around Vientiane Capital. These studies have profound revolutionary significance. They are the most important work of our party in promoting the research and creativity of the entire party and the entire people of ethnic groups in order to put valuable opinions in the draft political reports of our party. With the above understanding of its significance, the studies in Vientiane Capital were divided into six parts: production, national defense, security, circulation and distribution, communications, transportation and basic construction, and a sociocultural component. Then the studies were extensively expanded to work sections, factories and districts around Vientiane Capital. The study of each level was set for 5 to 7 days. The studies for the draft political report of the Party Central Executive Committee have now been successfully completed. The studies are now being extended to the production bases and among the people.

The people who participated in the studies can clearly see the work results and the historic victory by which they take part in defending and constructing Vientiane Capital under the leadership of the party committee and the administrative committee of Vientiane Capital. They can also differentiate friends from foes, and understand the confusion and ferocity of the struggle in order to solve the question as to who will win between the two paths of socialism and capitalism. The participants also gave their views and are ready to successfully carry out the policy of the party committee and the administrative committee of Vientiane Capital set for the coming years, such as economic improvement and construction which are problems in improving the standard of living for cadres, combatants, government employees and the people of ethnic groups, carrying out forestry agriculture so that it can be systematic

and provide export goods in order to balance income and expenses, and carrying out the construction projects for rural areas and districts so that they will grow gradually along the same level. They must carry out national defense and security work. They should fight against and dismantle all the enemies' schemes in a timely fashion. They should promote special solidarity and all-around cooperation from which each side can receive benefits, and involving twin capitals such as Hanoi, Ho Chi Minh City, and the capitals of other socialist countries.

Based on the political duty of our revolution in the new phase and the need for the transformation and construction of Vientiane Capital, as the heart of the Lao people of the whole nation, and to be strong in national defense and security and to grow culturally, first of all the people in Vientiane Capital decided to work together to train the people to become new socialist men. This means that the theory and policy of the party and government will be extensively studied among the cadres, workers and the people so that they will firmly understand the policy of our party and government as it is set in each period. The cadres, workers and the people in Vientiane Capital in particular must thoroughly understand the duty and policy of the party committee in Vientiane Capital set in the plenum of the first congress in order to make actual practice effective.

Secondly, [the people in Vientiane Capital] decided to turn guidance cadres and all levels of technical cadres to the grassroots in order to organize and guide the work in each main grassroots unit aimed at improving the views, ideology and work techniques of cadres, combatants, government workers and the people of ethnic groups so that they will be more responsible for their duty. They will guide and reorganize production work and reallocate work for working people, especially being careful to gradually construct agricultural and trade coops to become a complete system, and to improve factories and supply raw materials for industry and handicrafts.

The work for the immediate future is to mobilize farmers to engage in wet rice farming so it will be completed in time for the season, and to prepare everything against flood and drought in a timely fashion. All work sections must use technical work and specialized task work to promote agricultural production, and in particular the agriculture, irrigation and agricultural coop section must prepare to send sufficient fertilizer and pesticide to the people so that this year's wet rice harvest will have the highest yield.

Thirdly, [the people in Vientiane Capital] have really carried out the new management system based on the new machinery and have wiped out the administrative subsidized and feudal management which was a harmful obstruction for production work in the new phase of our revolution.

Fourthly, national defense and security at all levels and in all party and government organizations was carried out with determination by organizing people. Each locality carried out its duty strictly. They also became highly conscious of the enemies; schemes, and dismantled all their schemes in a timely manner, resulting in peace and security in Vientiane Capital.

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CSO: 4206/6

LAOS

DISTRICT LPRP OFFICIAL COMMENTS ON DRAFT POLITICAL REPORT

Vientiane PASASON in Lao 17 Sep 86 p 2

[Views of comrade Bounlom Chomsi, secretary of the party committee of Phon Hong District, Vientiane Province, on the draft political report of the Party Central Committee]

[Excerpts] After having studied the draft political report of the Party Central Committee which will be presented to the fourth Party Congress, comrades in the district party committee, the grassroots party chapter committee, and I are happy and proud and we agree with the draft political report because it is consistent with the actual situation of our country and with the international situation.

Our party has set the duties and the direction and line of the second 5-year plan of the government from now to the year 2000. In the economic field our party has made agriculture and forestry the foundation for expanding socialist industry step by step.

Our party has indicated as priority the policy for national defense and security, which is consistent with the special characteristics of our country's location as an outpost of socialism in Southeast Asia.

Our party has set a foreign policy that we think is best because of its political and economic [tactics], for example, to turn resolutely to the east and to build economic relations with fraternal socialist nations to provide a foundation for the construction of socialism in our country, to improve and expand the all-around cooperation and special solidarity with Vietnam and Cambodia and close cooperation with the USSR and other fraternal countries, and to have political and economic relations with non-aligned nations and the peace movement throughout the world.

Construction of the party is the life-and-death work of the revolution throughout the transitional phase to socialism. The party must be constructed in three ways: politically, ideologically, and in terms of organization. All cadres and party members must be trained carefully to know all these aspects, and to carry out self-criticism and criticism among themselves in order to strengthen the party, to use the six duties of the members, the seven duties of the party chapters as their regular political life style campaign, to assign,

select and improve the party so that it will be strong in every way, and to promote the good points and improve weaknesses and unfinished problems. We are also in unanimous agreement with the six great lessons of the central party committee learned from the revolution in the past. As for different work areas, such as in the economic area, I will lead the people to join the collective style of living and to organize agricultural coops according to the principles of true socialist coops.

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LAOS

EDITORIAL FAULTS CO-OPS, CITES DRAFT POLITICAL REPORT

Vientiane PASASON in Lao 12 Sep 86 pp 1, 3

["Editorial" Column: "The Contents of the Party on Improving and Building Agricultural Coop Reform Must Be Deeply Absorbed"]

[Excerpts] There are over 3,000 agricultural coop units in our country, which includes over 50 percent of the farmers' families and 50 percent of the cultivation area throughout the nation, including 5 provinces where coop reform has basically been completed.

We have learned from our experience that agricultural reform has great benefits for the growth of agricultural production. At the same time, there are still many agricultural coops that were set up and have not yet been effective in production. They still produce in the natural way and can produce in only one season, and their management is not yet effective. In this case the standard of living of the people still faces difficulties, and the obligation to the government has not yet been carried out effectively. These facts indicate that it is still necessary to improve and build agricultural coops. A political report of the party central executive committee to be given to the fourth congress has clearly explained the direction and line of the expansion and improvement of agricultural coop reform in rural areas: "Farmers should be continuously mobilized toward collective living with a strong coop system by having trade coops, credit coops and agricultural coops. Wherever there are many types of coops together they must be organized into one system under the guidance of one board of directors under one plan. This procedure is consistent with the low level of expansion of production power and also the managerial level of cadres and the level of understand of our working people nowadays. Wherever agricultural coops and solidarity labor exchange units are formed we must continue to improve and upgrade them by using improved production as a goal. Various occupational branches must be expanded, and production and the standard of living for the coops must absolutely exceed that of the private style of living. Where there are no agricultural coops, trade coops may be set up first, followed by agricultural coops and other types of coops, depending on the situation at each place.

This is the content of the line and direction for the expansion, improvement and agricultural reform in the rural areas, and we must understand it deeply. In particular, party and local administrative committees must study and come

up with a real method for implementation in their own localities. In the meantime, various sections concerned must be highly responsibly for making the coop reform process more efficient.

Mobilizing farmers into a collective production organization with a suitable method must proceed through trade coops or [production], which is now wet rice production. [After] this, the existing agricultural coops and solidarity labor exchange units must be improved. In doing this, each type of coop in different areas must be classified so that a true improvement plan will be adopted, and its contents and methods will be introduced to cadres. Those cadres at the grassroots and district levels must especially be guide closely and regularly. The cadres must also understand deeply that the primary goal of the expansion and improvement is to expand collective production so that it will be absolutely superior to the private style of living. Only by doing this will we be able to attract and awaken farmers to voluntarily join the path of socialist production.

If the party committees, the different local administrative committees, and the work sections concerned come up with suitable plans and specific implementation methods, we will be able to lead the majority of the farmers into the collective style of living, and also fulfill the needs for agricultural expansion in our country.

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LAOS

BOLIKHAMSAI PROBLEMS WITH THAI-BASED INSURGENTS, SMUGGLERS

Vientiane NOUM LAO in Lao 1-7 Jun 86 p 2

[Article by Baoa Nam Khong: "Bolikhamsai in the New Era"]

[Excerpts] Everyone probably knows that Bolikhamsai Province is located south of Vientiane Province and borders on Thailand and Vietnam. It has been newly established. All the organizations are new and they are now developing. In terms of convenience and problems, the situation here is still the most confusing one in the whole country. However, it is not isolated, and has been receiving assistance and is being taken care of by the higher echelons and the party and government all along. We can say that most of the people engage in farming. It is also an area where the enemies often come in and infiltrate in terms of material and psychological ways. In particular, in the first 3 months of 1968 the enemies openly attacked our youth in every way, especially militarily. For example, in the mountainous area they tried to attack the officers of our military units where we were not alerted. They used propaganda to try to break the solidarity between Laos and Vietnam. But the youth union members of ethnic groups have not been complacent. They have always fought against the enemies with all their might and have defeated them step by step. Even though they were being pressured by the enemies at that time, the Bolikhamsai Province youth union members had no difficulties in using their knowledges and capability to construct and improve their province.

There were five times that the revenue cadres were able to seize smuggled items valued at 158,000 kip. The youth throughout the province also constructed a retaining wall 20 meters long and 8 meters wide. They cleared brush and repaired 66 km. of Route 13 with 780 laborers. In addition, the provincial youth union executive committee never stops expanding its membership. This was demonstrated in the first 3 months of this year when they added 122 members of which 38 comrades were women, and 294 December Youth members of which 166 were girls.

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CSO: 4206/7

LAOS

BOKEO YOUTH ORGANIZATION GROWTH, UPROOTING SPIES NOTED

Vientiane NOUM LAO in Lao 22-28 Mar 86 p 2

[Article by Then Thanou Komphonphakdi: "Bokeo Steps Forward Firmly"]

[Excerpts] Bokeo is an important strategic province with at least 187 Km of its border adjoining Thailand and Burma. It is a brand new province that broke off from Louang Namtha Province in 1983. It has a population of 54,925 of which 28,565 are women; there are 17,677 youth union members of which 9,713 are female. There are 23 races. Bokeo is famous for its natural resources besides mountains and forests.

Youth union organization. Three years ago the youth union organization was still young, and it can almost be said had no shape at all. The December Youth organization had few members. In 1984 the provincial party committee and the youth union central committee carefully improved and expanded the youth union organization on down to each work section and each district grassroots levels. Three years ago there were a little more than 300 youth union members, but now there are 829 members. The December Youth now has 3 companies which are divided into 14 platoons; it has a total of 362 members of 172 are girls.

The improvement and expansion of the youth union organization throughout Bokeo Province has not reached the grassroots. The organization has been able to wipe out 19 white cantons [areas where there is no LPRP presence--FBIS] out of 21 cantons and they expect to wipe out 70 percent of the white villages in the next 5 years.

The actual attack. Because of Bokeo's special characteristics and its location as an outpost where it directly faces the expansionist and imperialist reactionary power, the youth union members of ethnic groups in Bokeo Province must become attack forces in all ways and must always be a driving force in uprooting spies and in continuing to search for and attack enemies. Many provincial and locality military youth union members have been praised by the higher echelons, for example, the youth union guerrillas in Sinsomboun Canton, Ban Chomchouk and Ban Houai Tap. The youth union guerrillas in Ton Pheung District, Nam Keung Canton, Xieng Dao Canton, Meaung District have been outstanding in defense and security work.

The outstanding work is that each year the youth union members turn to the grassroots to help in mobilizing the people and the youth of ethnic groups

to shift from highland cultivation by coming down to engage in paddy rice farming, and to avoid slash and burn cultivation and forest destruction. This is decreasing in comparison with the people's highland cultivation areas 10 years ago. In 1975 the highland cultivation area was 10,093 hectares, and in 1985 it was 6,285 hectares.

The youth union has also carefully cleared and repaired damaged roads for 65 km. As a result, it can be used by cars throughout the dry season.

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LAOS

MOUNTAIN AREA DEVELOPMENT UNIT WORK IN KHAMMOUAN

Vientiane PASASON in Lao 16 Sep 86 p 1

[Article: "Mountain Area Development Company Takes Part in Constructing Economic and Cultural Foundation"]

[Text] The Mountain Area Development Company is now focusing on the construction of a secondary and elementary school by joining the people in the Km 20 area in Khamkeut District, Bolikhamsai Province so that it will be completed and in operation for the academic year 1986-87.

Construction started in August. The school is steel-reinforced concrete 28 meters long and 8 meters wide. It has four classrooms and will accommodate over 300 students.

Prior to this the Mountain Area Development Company took part in the construction of two guest houses, two houses for cadres, and repairs to four offices and bedrooms for different work sections.

In order to score achievements for the fourth Party Congress the company will continue the construction of a pharmaceutical building, an office for a guidance organization, and housing for cadres totalling four building, and will complete them by the end of this year.

Along with the school construction the company also joined its capital and labor with the people in the Khamkeut District area to successfully construct a 30-bed district hospital and it is now open to serve the masses. It also organized a mobile medical unit in hard-to-reach localities in the five cantons of Tha Veng, Na Pe, Nam Vewm Keng, Deng and Khammouan in order to take care of the cadres' and people's health in these localities. The company also takes part in defense work and economic construction in its own locality so that it will become steadily stronger.

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LAOS

SAVANNAKHET DISTRICT SECURITY, PARTY GROWTH REVIEWED

Vientiane PASASON in Lao 18 Sep 86 p 2

[Article by Ch Souvansai: "Champhon Today"]

[Excerpts] Champhon District is located in the middle of other districts. It is approximately 60 km from Savannakhet Province. It consists of 26 cantons, 240 villages and 104,214 people of two races, Lao Leum and Lao Theung.

Prior to 1975 this area was a nest of feudalists and warlords. It was a place where western culture was encouraged and it poisoned the standard of living of the Lao people who, at that time, were starving, ignorant and backward.

We have known all along that the enemies of the revolution have been engaging in creating unrest in many ways in different localities throughout the district. Because the people of ethnic groups have a heritage of bravery plus the brilliance of the resolutions of the third and second congresses of the party committee of Savannakhet Province, the resolution of the first cadre meeting of the party committee in Champhon District and also Plenum 51 of the Party Central Committee, Champhon District has mobilized all of its ability to strongly go about improving the grassroots of the district. For example, in national defense and security work they have gradually defeated all the enemies' schemes and have firmly and endlessly advanced the work of the revolution, resulting in peace and the feeling that the people are free to make a living and to travel back and forth normally.

The ranks of cadres and party members have been increased in both quantity and quality in order to improve and construct the party. The party committee is doing well and has doubled its size. Prior to the first meeting there were only 67 members, but now there are 233 members. [In Champhon District] the white cantons [areas where there is no LPRP-FBIS] were wiped out completely, and 82 white villages out of 240 villages were wiped out. In terms of quality, they have changed from being inactive to being party chapters with strong movements, most of whose members are still young.

Agricultural production and other aspects have been improved and expanded throughout the district. There are 174 agricultural coop units and 162 villages which make up 70 percent of the people. The collective production area is 75.89 percent of the cultivation area. Each year Champhon carries out its obligation with respect to agricultural taxes by 1,940 tons, and sells 3,106 tons to the government.

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LAOS

CHAMPASSAK TIMBER EXPLOITATION, PRICES REPORTED

Vientiane NOUM LAO in Lao 22-28 May 86 p 2

[Article by Phonkeo: "The Youth Union Company in Champassak Province"]

[Excerpts] The tree-felling and wood manufacturing company in Champassak Province was set up in 1979, and has had an active youth union movement for many years. Now they are enthusiastic and outstanding in scoring achievements for the second youth union congress in Champassak Province. In this company there is one base youth union unit and seven groups: Sok-annouai lumber mill, Kokkhamthep, Meaung Khao, the wood manufacturing plant, and the offices for hats, trucks and machinery. There is a total of 504 cadres and workers of which 254 are young, and 156 LPRP youth union members have become a major force in the company's work where the youth union unit has set up each step, whether in a factory or a dense forest, in controlling trucks, etc., starting from tree felling, foresting, hauling wood to the lumber mill and producing lumber to serve the construction needs and the people throughout the province and also the nearby provinces such as Saravane, Sekong and Attapeu. They also manufacture wood into office supplies and for the daily living of the daily living of the people, as well as for the working people of ethnic groups in nearby provinces, and also for export.

Because of the methods and experience learned from the actual work, the company exceeded its first task in 1986 over the following expected level. They produced 779,531 cubic meters of special hardwood logs valued at 5,517,263.17 kip or 38.97 percent of the year plan; 47,124 cubic meters of rose wood valued at 478,410.86 kip; 3,375,915 cubic meters of mixed hard wood valued at 10,173,850.72 kip or 48.92 percent of the year plan; and 7,917,925 cubic meters of softwood valued at 16,600,731.55 kip or 76.50 percent of the plan. They also produced 32 percent of the year plan of manufactured wood, and 28.15 percent of the year plan for lumber. They also creatively changed a transport bus into a good weight-lifting vehicle able to lift 10 tons and saved \$30,000 of foreign currency. They also took part in constructing a monument for Champassak Province. In particular, the youth union members in the tree-felling company also took part in the construction of the Mekong River gate into the Champassak Province youth union at Km 8 valued at 50,000 kip as a gift to the Champassak Province youth union congress.

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CSO: 4206/7

LAOS

POOR IMPLEMENTATION OF ECONOMIC REFORMS NOTED

Vientiane PASASON in Lao 30 Aug 86 p 3

[Article: "Relations Between Economic Administrative Management and Socialist Administrative Management"]

[Excerpts] If economic administrative management is consistent with the goals of enterprise management it will promote the smooth running of production. On the other hand, if they are not consistent this will cause production to be held back and will limit enterprise work. The way in which the ministries with an economic administrative role in Laos are organized must be in agreement with the enterprise management machinery. This means it must be consistent with the level and quality of the managerial cadres, specialized task cadres, and workers and government employees. It must be in agreement with the special characteristics of each work section locality and area. It must be in agreement with the situation which actually exists in Laos, which is advancing from the small, private and scattered production. Therefore, the machinery of economic administrative management must be consistent with the enterprise management machinery. They must fit together and support each other. They must also be closely related to the true situation that exists in Laos in each period.

In the past some have not been aware of the consequences of dialectic relations between economic administrative management and enterprise management. In certain cases the administrative management organization interfered with the enterprise management organization, preventing the latter from being a driving force to a full extent and violating the principle of the "one leader" system.

However, in certain cases the enterprise organization wants to completely separate itself from the economic administrative management organization, which would violate the principle of democratic centralism. In some cases there are violations of the supplementary management principle in work sections and localities. At these places only the factories in the center obtain benefits, but the local regions do not benefit as they should. This could be because some localities have not yet considered their obligations toward the center located in their localities. There is still some confusion about applying the supplementary management principle based on the direct approach and based on obligations and roles. For example, often those who carry out orders receive them from many places at the same time. Thus, they do not know which ones they should follow or, if they do, they are not able to complete the orders in time.

This then leads to collective power. There are orders sent down [to the lower levels], but only superficial reports are sent up to the higher echelons. No one takes his responsibility seriously.

It can therefore be said that the economic administrative management organization and the enterprise management organization must always be consistent with each other and should stimulate each other. At the same time, each management organization must be consistent with the goals, abilities and the areas that the management organization is directly responsible for.

Another issue that should be brought up for discussion is that the administrative method and the economic and training methods have not yet been applied effectively, and are still [strongly subsidized]. In some cases those who work efficiently and those who have less responsibility receive the same benefits. The assigning of labor has not yet become suitable for the true situation. In some places the management organization is merely to satisfy people, and thus leads to the problem of people outnumbering the tasks. This machinery is expanding, but the work efficiency is not as high as it should be. The principle of democratic centralism has not yet been carried out effectively. Sometimes there is centralism with no responsibility and no creativity, where people only wait for the orders from the higher echelons. Sometimes democracy has not been applied correctly. Work is done without a plan. People work on whatever comes to them. There is a terrible waste of time. The "one leader" system has not yet been applied seriously.

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CSO: 4206/7

LAOS

RESOLUTION 49 ON REFORMS, AFFECTED MINISTRIES NOTED

Vientiane PASASON in Lao 9 Sep 86 pp 1, 4

[Article: "Business Reform in Vientiane Capital Is Effective"]

[Text] Last Saturday morning the second short training session for cadres on converting the main economic units to business was completed at the Saisettha District administrative office in Vientiane Capital.

As we have already reported, after Resolution 49 of the Council of Ministers on converting the main economic units to business, which has been in effect since early August, extensive economic reforms based on the new machinery have been carried out. For example, in the center the Ministry of Industry and Manufacturing, the Ministry of Agriculture, Forestry, Irrigation and Agricultural Coops, the Ministry of Trade, and the Ministry of Transportation and Posts at the grassroots level in Vientiane Capital, Vientiane Province, Luang Prabang, Champassak and Savannakhet Province are now engaged in carrying out the first phase for completion by the end of September, so that they can learn from their experience and then they will advance to the second phase.

Up to now in Vientiane Capital there have been over 560 technical cadres from the two training sessions. The trainees listened to the policy on turning to business, and to the regulations of the Council of Ministers on the rights of [ownership] of the main economic units in business. They also received some advice about specialized task problems, such as ways to set fixed assets and regulations technical economy, how to set prices on ready-made [items], and how to pay salaries based on production and the comprehensive work plan of the local administration.

Along with the training, Vientiane Capital also took its first step by turning various main grassroots economic units to business at the experimental level, namely the Brick and Tiles Enterprise, Vientiane Trade, the Agricultural Tool Production Plant, the Hotel and Restaurant Corporation, the Capital Tour, the Phon Tong Textile Manufacturing Coop, the Irrigation Construction Company, and the Vientiane Capital Pharmaceutical Corporation. Each factory is now quickly and carefully reviewing its yearly production plan, its estimates for the second 5-year production plan, its summary and assessment, and fixed assets and revolving capital in order to set up prices for ready-made products, to re-assign laborers, to set up salaries for the main units based on their products,

and also to improve the machinery for enterprise management according to the regulations. This is in order to set up an emulation campaign among the cadres and workers, and also to score achievements for the fourth congress of the party in the future.

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LAOS

SAVANNAKHET BANKER NOTES MANDATORY DEPOSITS, LOCAL ACCEPTANCE

Vientiane PASASON in Lao 26 Aug 86 p 2

[Article by Dao Phengphan: "Savings Deposits in Savannakhet Province"]

[Excerpts] This year the savings deposits by soldiers, cadres, workers, students and the people of ethnic groups in Savannakhet Province have turned out to be outstanding, clearly demonstrating the steady increase in the yearly savings deposit total. The total savings deposit for 1983 throughout the province was only over 700,000 kip, while in 1985 it was over 5.1 million kip. In early 1986 the people in Savannakhet Province have emulated each other to increase the savings amount deposited in the first 6-month period to over 7 million kip or over 2 million kip in excess of the figure for 1985. The outstanding work sections throughout the province were the provincial industry, handicrafts and forestry section, the provincial bank section, the provincial education section, and the provincial construction section. The outstanding districts were Khanthaboury, Chamhon and Outhoumphon.

Comrade Seng Atsaphangthong of the board of directors of the State Bank of the Savannakhet provincial branch and also member of the committee for mobilizing the savings deposits of the province, responded to the questions of our reporter. He stated that the savings deposits by soldiers, cadres, workers, government employees, students and the people in Savannakhet Province are extensive, and that the figures are outstanding and higher than last year's. This was first because [we] had learned from the lessons in the past regarding the organization of savings deposits. Second, it showed the awakening and absorption by the people of Savannakhet Province in the work of making savings deposits. Third, there is a new factor regarding the savings deposits in Savannakhet Province which has been carried out in the preliminary period in three steps. First, they open meetings with provincial and district-level work divisions participating in which they discuss and summarize the strengths and weaknesses of this work. Then the outstanding lessons from past years are promoted. The second step was call for a meeting of the committee for mobilizing savings deposits with participation by the work sections of the provincial and district levels and also the mass organizations and cadres concerned. The third step was for each committee and subcommittee to propagandize the goals and expected levels of savings deposits throughout the province and to propagandize the savings deposit figures to the work divisions in factories, schools and their own district, as well as to cadres, soldiers, workers and the people so they can understand thoroughly. The expected figures set for each plan contain two numbers. The

first number is for the long term plan, and the second number is for the yearly plan. For the long-term plan, each month a cadre is mobilized to deposit 10 Kip or 10 percent of the cash salary rate. For the people of farming and ethnic groups and merchants, each family must deposit a least 20 to 30 kip per month or 300 kip per year.

The year plan is the plan for the whole province. It is then divided up and given to the work divisions and districts for mobilization by disseminating the figures to the work sections and the cantons and villages under their own administrative committee, and also to the committee and savings deposit agents in each location. At the end of the year there is summarizing and praise for outstanding work by divisions, districts, families and individuals who participated in savings deposit work and actual savings deposits.

9884/12951

CSO: 4206/6

LAOS

OFFICIAL NOTES POOR STATE OF SAVANNAKHET TRANSPORT

Vientiane PASASON in Lao 5 Sep 86 p 2

[Article by Bounngong Saipangna: "Transport in Savannakhet Province"]

[Excerpts] The transport situation in Savannakhet Province has had to face problems in the past such as the great distances along the roads from downtown [Savannakhet Province] to the rural areas, and there are still certain problems in the conditions of the roads to varying degrees. For example, for land transport routes buses can travel easily in the dry season, but in the rainy season this is impossible in some areas. Water transport by boats is limited in the dry season, but is convenient in the rainy season. These are the objective differences and problems for Savannakhet Province. Thus it is necessary to absorb the direction of the party which says that "we must improve and connect economic relations between the center, the province, the district and the localities correctly. Therefore, it is necessary for transportation to come first in order to make it possible for various production sections to expand and to respond well to the demand for the standard of living of the people."

Although facing difficulties in all situations, having absorbed this the party committee and the provincial administrative committee continue to try to maintain transport on a normal basis. Comrade Vanthong Saisisombat, provincial party committee member and also chief of the communications, transportation and posts section of Savannakhet Province, told our reporters that even though bus routes in the province have been expanded they have not yet been able to ensure quality over the distance of over 700 km from Savannakhet to Tha Sano, Ban Veun to Mak Nouan, Na Hang Noi, Seno and Dong Heng and Phin District and Sepone, Sakheun, Keng Kok, Phoum District, and Pak Song and Se Banghiang.

Water transportation is still facing some problems northbound from Savannakhet to Ban Sokkhong and Se Bangfai and southbound from Savannakhet to Tha Pasoum over a total distance of nearly 200 km. Both land and water transport vehicles are still inadequate. Thus, calculations of the food and passengers within the province are still encountering problems.

However, over the past years generally speaking, and over the first 6 months of 1986 in particular, the cadres and workers in the land and water transport enterprise section under the communications, transportation and posts section of Savannakhet Province have still been able to score to a real achievement

in land transport with a total transport capacity of 191,000 persons or 88.15 percent of the plan. The total water transport capacity was 9,000 persons or 86.90 percent of the plan.

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CSO: 4206/4

LAOS

ARMY FACTORY, HARD CURRENCY SALES, FUNDING PROBLEMS NOTED

Vientiane KONGTHAP PASASON LAO in Lao 20 Feb 86 p 3

[Article by P. Pakkasit: "Perspective on Army Battery Factory"]

[Excerpts] I am quite lucky to have had the chance to visit the beautiful land of Keo Oudom District, also known as Tha Lat, which is a naturally rich area and the center of Laos' electric power industry.

The Army Battery Factory is similar to other factories under the responsibility of the army, the party, or the general public. This factory was set up and built in 1980 under the state's First 5-year Plan project. It is different from other factories because the funding for its construction came entirely from the creativity of the factory administration, which was set up in advance. Workers in the Forestry Section solved a major problem of heavy forest cover by concentrating all their efforts to cut the trees and clear the land to facilitate supplying materials for the construction of this factory. The factory director gave a 5-year report about its statistical accomplishments at his 37th birthday celebration, which the factory organized for him on 31 January 1986. He stated:

There were many difficulties during the birth of this factory. The site was cleared by the factory's workers themselves. The 33 living quarters came from the sweat of our workers, who built these quarters themselves. In summary, we are self-supporting, meaning that the factory uses its own creativity and intelligence, as shown by the revenues gained from timber exports during these past years.

The total volume of timber exported for this year is 39,874 square meters, worth \$2,235,401, which is equivalent to 156,000 working hours. The first timber delivered for 1983-84 was 120,194 square meters, worth \$8,952,056. Leftover stocks total 731 logs, which is all valuable wood, an estimated 971 square meters.

The party and the state decided that we would not accept aid from foreign countries in planning the construction of this factory. Consequently, we have relied on its timber exports to get the funds for its construction. When I visited this factory, two buildings, one reservoir that can hold

27 cubic meters of water, one chemical storehouse measuring 21x9 meters, and other buildings were being built. These were done according to the First State Plan, which stated that the factory should be self-supporting from the funds it generates itself--which is the ultimate dream of the party and the people.

12597/12828

CSO: 4206/2

LAOS

ARMY EDITORIAL WANTS MORE EMPHASIS ON ENTERPRISE DEFENSE

Vientiane KONGTHAP PASASON LAO in Lao 6 Mar 86 pp 1, 3

[Editorial: "Improving Military Service in Organizations, Offices, and Factories"]

[Text] Over the past four years, a policy of military service has been implemented and promoted in organizations, offices, factories, and other work places. But a few grassroots departments have not done too well because of their incomplete and superficial knowledge of enemy schemes and their military duties, in combination with unstable economic development and unstable improvement in national defense. Consequently, they have not performed their military duties very well.

The military tasks of military units, factories, organizations, and state offices play a very important part in the state's performance of its military tasks and are closely related to improving national defense to respond to the nation's needs, situations, and immediate duties. Consequently, military tasks in offices, factories, grassroots military units, and state offices should be done systematically. The experiences of some departments, factories, and organizations point out that we first of all must thoroughly understand the two military tasks of the party: to defend the country and to develop socialism in every work place and at every level. Principal cadres in particular must understand this, for they are the key to solving problems of military tasks being performed well in every sector, every area, and every state and grassroots department. With full knowledge of the two military duties of the party, these cadres will exert all their efforts to struggle to perform them thoroughly as well as self-defense, building up reserve forces by urging young men to form self-defense corps, carrying out all military exercises, and performing them in combination with developing the national economy and national defense.

The self-defense corps are the armed forces of workers and state employees, and are located in grassroots areas, factories, and offices. These corps are important for self-defense throughout the entire country and they are growing. Along with mass forces, self-defense corps play an important military role in developing the armed forces and improving national defense. Therefore we must make self-defense corps understand their situation and duties and emphasize their awareness, revolutionary spirit, and toughness in combat and strong organization. They must be trained and educated to

improve their military level. The number of men must be controlled and all armed forces must always be ready for combat in all circumstances. In the present situation, the self-defense corps in state grassroots departments must be models. They must perform all their patrol duties in time of need at important heavy points such as borders and industrial zones. They must set up command channels and combat commands in accordance with local military organizations. They must be united and coordinate with all other armed forces. They must perform their security duty in each grassroots area.

All the grassroots areas of the state are gathering places with more and more cadres and technical workers working for national defense. Consequently, they must take charge in administering and developing reserve forces, meeting military obligations and reaching all objectives, and encouraging young men to join the military so that there is a sufficient amount of highly qualified manpower in line with policies. Recruiting must be correctly timed and meet projections and needs. Workers and state employees who have made outstanding contributions to the army in each grassroots department must be trained depending on their experience and skills and on national defense expectations in order to develop a reserve force. And they must prepare directions by appropriate methods to encourage more industrial production by employing all existing capabilities. They also must prepare the ideological tasks and organize and strengthen military levels so that a lot of young men will be encouraged to join and enter the combat area right away.

In expanding the economy and culture, the state grassroots departments must pay attention to and care about improving the standard of living of the military profession, combat readiness, and success in combat. Peace and order must be preserved and production protected.

Leadership and organization must be improved to assist the heads of all recruiting departments in guiding these military duties. Military service must be advised at every level, primarily in the sectors related to national defense and military organizations. The heads of such organizations must be those who are guiding them directly. Cadres of the military organizations of all departments, especially of the Ministry of Defense, or departments themselves should nominate recruiters. These persons must be highly responsible and capable; they must be team players who coordinate and are firmly attached to the organization in every interrelated department. They must guarantee the success of military tasks as the chief of staff to all section chiefs. And they must encourage and coordinate the tasks of developing the economy and national defense.

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CSO: 4206/2

LAOS

ARMY EDITORIAL DISCUSSES FOOD RATION, SUPPLY PROBLEMS

Vientiane KONGTHAP PASASON LAO in Lao 5 Aug 86 p 1

[Editorial: "Military Food Rations Improve"]

[Text] Daily food rations greatly affect the strength of soldiers so that paying careful attention to the quality of rations is a vitally important task that commanders at every level must take great interest in. Commanders and quartermaster cadres must increase their responsibility to improve the daily food rations for soldiers, especially now when we are facing difficulties in the economy and living standards of army personnel.

Many troops and quartermaster sections have been very good models for the entire army. They have great endurance and have protected and considerably improved the quality of food rations for soldiers. They have shown in every way that they are really trying to set up units to boost food production and, in management, to distribute food supplies, find food substitutes, and correctly clean and prepare food for troops. Food rations for many troops in the front lines are quite stable because there are secure food supplies from the back line and local areas and from their own production units. But food rations for the entire army are not regular in many areas. Food rations are still low and adequate rations are not guaranteed for many troops.

Guaranteeing the quality of food rations for soldiers is a separate but important task under current conditions. But if we want to solve this problem we must have a complete set of methods and must have cooperation from every section of the state. Every level and every cadre, fighter, and commander should not take it lightly and should not rely solely on distributions from the higher level. Each must still rely on his own means to push and strengthen auxiliary production units and to improve the living standards of soldiers. In addition to establishing organizations to receive and control food supplies distributed by higher levels, they must concentrate on improving and strengthening agriculture and animal husbandry. There must also be planning and organization for employing the labor of soldiers to produce food productively and for using the harvest to improve food rations for soldiers. As for those troops who are performing duties along the border far from the back lines, it is difficult to get food supplies, so they must look for ways to enable themselves to grow vegetables where they are. All quartermaster sections are responsible for researching the production of dry foods to facilitate transport and to preserve them longer on the front lines.

Improving food rations for soldiers must not rely solely on the supply of foods. The way in which food is cooked is also important, such as preparing it like a soup or grilling it. The primary goal is to guarantee the supply of food for soldiers to eat their fill, to eat properly and cleanly, and to have warm food. However, it is disappointing that there still are a number of troop who cannot do that yet. This is not an economic or social problem, but one of leading committees and troop commanders who lack interest and who do not have ways to organize and perform this task efficiently. In the present difficult situation, if there is not system to guide, no tight management by committees and commanders, and no set-up for receiving food supplies, food rations for the army will not improve, even if there are good and highly responsible cooks. In addition, soldiers sometimes might be allowed to starve from a lack of materials and inadequate food supplies distributed by the higher level.

It is not impossible to improve the quality of food rations for soldiers in spite of these difficulties, if adequate food supplies are distributed by the state according to quotas. If troops know how to set up systems and be creative, then the quality of food rations for soldiers will be preserved and will improve more and more.

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CSO: 4206/2

LAOS

READER SCORES STATUE OF 'TRAITOR' KING SISAVANG VONG

Vientiane NOUM LAO in Lao 5-11 Apr 86 p 7

["Readers' Views" Column: "A Traitor"]

[Excerpt] I am very much interested in the monument to King Sisavang Vong which is located at the Simeang intersection in Vientiane Capital.

According to what I have seen abroad, a monument is something to remind you of some outstanding incident in the past, either something very good or very savage. Examples of monuments that I have seen pertaining to wicked and savage incidents and crimes are Mamayev Kurgan and Katyn in the USSR, and Lidice in the CSSR. These three monuments mobilize the viewer to remember the countless crimes committed by fascist Hitler in World War II. The monuments I saw that engraved virtue were those of Lenin, Chairman Ho Chi Minh, and other revolutionaries and poets, etc. These monuments remind the viewer of the virtue of the person and their sacrifices for the world revolution or for different reasons of public interest in society.

If this is so, what does the monument of King Sisavang Vong mean in terms of either revolutionary aspects or other public interests aspects? Recently I had the opportunity to visit an exhibition hall containing a display of our national heritage on the occasion of our nation's 10th anniversary. I saw there a memoir that said, "King Sisavang Vong gave approval for the American imperialists to enter Laos."

According to history, I learned that Sisavang Vong was a traitor who sold our land to France and Siam, and who suppressed the Independence Movement (the Lao Patriotic Force).

Therefore, I cannot understand what this monument is really for. Whenever I took foreign visitors to see Vientiane Capital, very often whenever we had to pass this monument I asked the driver to drive fast so that I did not have to answer any questions by my foreign visitors about the history of Sisavang Vong.

This is just a silly idea of mine. Sometimes I can be shortsighted, and not understand very well the policies and tactics which are the foundation of the higher echelons. However, I still feel that we should allow the traitor King Sisavang Vong to stand gracefully no longer. Love, Enkeo, Pakse, Champassak Province.

LAOS

BRIEFS

FOOD PRICES--In 1986, the Foodstuffs Company under the Ministry of Interior's Quartermaster Department has been struggling enthusiastically to supply food and consumer goods for the cadres and fighters of the Ministry of Interior. In the 1st quarter of the year, the Foodstuffs Company responded to the demand and performed its expected duties and exceeded projections. The company sold 71 types of goods valued at 23,450,360 kip, 17.19 percent more than projected. This includes the sale of 46,794.59 kg of pork and beef valued at 12,857,415.2 kip, 9.57 percent more than projected, and 181 cows and buffalo sold with a value of 5,160,368.2 kip, which is 100 percent of the projected amount. It has also supplied 382.2 kg of fresh fish valued at 58,128 kip and 4,509 eggs valued at 85,387 kip, both 100 percent of the planned amounts. [Text] [Vientiane KONGTHAP PASASON LAO in Lao 1 May 86 p 1] 12597/12828

FRG AID--The government of the FRG handed over aid totaling over \$6,000 to the Children's Year commission of Laos. There were 30 Singer sewing machines and approximately 10,000 meters of mosquito net fabric. The hand-over ceremony was held on the afternoon of 25 July at the Ministry of Education. Mr Phoumi Vongvichit, assistant chairman of the Council of Ministers and also chairman of the Children's Year commission of Laos accepted the aid, and Mr Hellmut Schatz, FRG ambassador extraordinary and plenipotentiary to Laos represented the government of the FRG in handing over the aid. [Text] [Vientiane PASASON in Lao 26 Jul 86 p 1]

CSSR AID OVERVIEW--The Czechoslovakian Soviet Socialist Republic began diplomatic relations with Laos in 1962. In 1980 it signed an accord on friendship and cooperation with Laos, and the many aspects of cooperation between the two countries have helped to increase the cooperation between the two nations. The CSSR has provided Laos a great deal of aid in terms of grants and loans, including assistance in the construction of two bridges on Route 9, supplying equipment to the National Dental Center, setting up a technical division for mobile oil drilling, helping with the expansion of tree planting, constructing a hydropower plant, and exchanging goods. The CSSR has also helped to train Lao technicians in technical science in the CSSR. Now many aspects of diplomatic and various other relations and assistance between the two countries are bearing fruit and are expanding. [Excerpts] [Vientiane PASASON in Lao 5 Sep 86 p 3]

CHAMPASSAK DISTRICT SECURITY--A glorious opening is being prepared for the third congress of the Champassak District youth union. During the first 6 months of 1986 the youth union in the district built 38 peaceful villages with 2,969 houses for 18,988 people. They also trained 217 outstanding people, and 62 good cadres including over 40 guerrillas. They wiped out 91 enemy henchmen who had been sent in to incite against the peace and happiness of the people, and they seized some war equipment resulting in peace throughout Champassak District. [Excerpts] [Vientiane PASASON in Lao 10 Sep 86 p 2]

MALAYSIA

BRIEFS

NEW ENVOYS PRESENT CREDENTIALS--On 6 October 86, his majesty the king at a ceremony at the Istana Negara [National Palace] received the credentials from Brunei Darussalam's new high commissioner to Malaysia Pengiran Datuk Paduka Haji Jaludin Pengiran Mohamed Limbang. His majesty urged that relations with Brunei be further improved especially in trade and other related fields and also said that Malaysia will cooperate with Brunei needs. During the same ceremony his majesty also received credentials from the Republic of Mali's new Ambassador to Malaysia Mr (Elhat Seko Saumano) and urged improving relations with Mali not only bilaterally but also in such areas as South-South cooperation. [Summary] [Kuala Lumpur Domestic Service in Malay 1230 GMT 6 Oct 86 BK] /12232

CSO: 4213/9

PAPUA NEW GUINEA

IMPORT QUOTAS, BANS END AS TARIFFS IMPOSED

Port Moresby PAPUA NEW GUINEA POST COURIER in English 8 Oct 86 p 1

[Text]

PNG has done away with import bans and quotas from today.

Instead tariffs will be imposed on goods which the Government agrees should be restricted by higher prices to protect local industries.

The new measures were announced by Prime Minister Mr Wingti yesterday after Cabinet's approval of a submission by Trade and Industry Minister Mr Kwarara.

"PNG in future will use tariffs rather than bans and quotas to protect fledgling industries in this country," Mr Wingti said.

Tariffs will be used on a selective basis, based on an effective rate of protection — as distinguished from nominal rates which appear in the tariff schedule, he said.

For general protection, rates varying from 15 to 30 per cent have been suggested, and for infant industry protection the rates could be within the range of 30 to 45 per cent, Mr Wingti said.

Not automatic

However, there may be exceptional circumstances where import bans and quotas may have to be used as very short-term measures.

These include the need to combat dumping or to encourage the domestic food industries, he went on.

The new tariffs will not be imposed automatically.

Businesses will have to apply to the Government's Industry Assistance Board to have their cases considered. Trade and Industry Secretary Wep Kanawi said last night.

Mr Wingti said: "The new guidelines take away the questions on both sides.

"Industry knows where it stands and so does the Government."

The idea behind the new guidelines was to establish a system that did not rely on "knee-jerk" reactions to situations.

"As a general rule tariffs should be the preferred mode of protection as these operate through the price system and the market," said Mr Wingti.

"On the other hand, quantitative restrictions such as import bans and quotas hinder competition and may lead to inefficiency in production."

Protection would be given only to those industries which could establish long-term viability and it would last only for five years at the maximum, Mr Wingti said.

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CSO: 4200/62

PHILIPPINES

SYDNEY PAPER SORTS OUT NEW NPA TACTICS, TARGETS

Sydney THE AUSTRALIAN in English 25 Sep 86 p 8

[Article by Barry Lowe]

[Text]

THIS has been the most successful year for the rebel New People's Army (NPA) in the Philippines, some NPA leaders believe, since the rapidly growing movement was born 17 years ago.

Since taking office seven months ago, the Philippines President, Mrs Aquino's, efforts to make peace with the Marxist-inspired NPA, which fields at least 20,000 full-time guerrillas throughout the archipelago, have met with grudging success.

Her promises in the United States over the past few days to take a firm hand with the rebels will need to be backed up soon by cogent results.

Although the two sides have opened negotiations on a formal level, the path to peace is proving long and difficult.

There has been no visible let up in the Philippines gradual slide towards civil war. The level of encounters has barely changed from the last years of the former Marcos government, while casualty figures also reflect no improvement in the peace and order situation.

There has also been little change in the overall balance of power, at least on the surface. But in strategic terms the NPA has made significant inroads.

An indicator of the insurgents' improved operational capability was provided last week by an operation con-

ducted by NPA guerrillas in a city about 50km south of Manila. The rebels swept into San Pablo aboard a convoy of commandeered vehicles to attack a military detachment close to the city centre.

During a brief and bloody fight in which the government soldiers suffered at least 10 casualties the attackers overran the detachment.

After seizing weapons, including an M-60 machine gun and at least 20 automatic rifles, the NPA withdrew to a nearby mountain stronghold where they have since skilfully managed to avoid army pursuit teams sent after them.

The raid sent shock waves through the Philippines military establishment because it demonstrated a new audacity and efficiency by the guerrillas, who had never penetrated such a large urban settlement before.

The fact that San Pablo is just one hour's drive from Manila also caused alarm among military and political leaders, who now fear the rebels may be pursuing a long-term plan to encircle the capital from its rural environs.

Laguna Province, where the raid took place, is now officially classified as a critical insurgency area.

In the past year NPA commanders there have been upgrading their units from platoon formations to company strength concentrations. After a series of raids on government premises they have acquired sufficient material to equip their combat units with

grenade launchers, machine guns and even mortars.

The NPA's success rate in recent encounters with the military has been high, but even more significant gains have been achieved in their infiltration and consolidation of strategically important territory. Part of their strategy is to neutralise army concentrations by forcing them into defensive postures which reduce their response capability and exacerbates their supply problems.

This tactic is demonstrated in Laguna and adjacent Quezon Province, where army detachments are increasingly reluctant to leave the relative security of their fortified bases.

The insurgents have also been directing their efforts towards seizing control of strategic communication links. The main highway connecting Manila with the rich coconut growing provinces of southern Luzon is now patrolled regularly by guerrilla units at several key junctions.

Their control of the highway not only enables them to block army reinforcements during operations but they can also stop buses and other commercial vehicles to demand payment of "revolutionary taxes".

Rebel raid rocks the army chiefs

The NPA's control of dozens of other strategic roads means that at an advanced stage of the struggle it can employ the

tactics favoured by El Salvador's leftist rebels: paralysing communications by blocking highways with burning vehicles.

However, if the Philippines revolutionaries ever find themselves in a position to launch an all-out assault on Manila they will need to be able to bring in units from several parts of the country to participate in their final offensive.

By controlling the highway south they have already established a corridor for moving combatants north from their liberated zones in southern Luzon.

But to make a decisive push for the capital they will also need a strong force to attack from the north. Northern Luzon is one of the NPA's oldest and largest strongholds but the rebel units based there are relatively isolated from their comrades in the south.

Thus one of their priorities is to establish a secure corridor linking the north to the capital region.

The Sierra Madre mountain chain, which runs down the eastern side of the island, is already largely in rebel hands. However, redeployment by that route would take several days, which could prove too long in the event of a desper-

ate struggle ensuing around Manila.

The western side of the island is serviced by good roads across flat country, but the NPA presence in this region is sparse. For this reason the insurgents are concentrating their efforts on establishing a strong presence in the key province of Pangasinan which they hope will serve as the gateway to Manila.

Military sources in the region report an unparalleled build-up of NPA personnel during the past few months, particularly in the west of the province, where a wide arc of villages have recently come under rebel control.

In other parts of the province dozens of NPA armed propaganda teams have been active recruiting new members.

Although senior army officers are reluctant to admit there has been a gradual NPA encroachment on the capital

hinterland, they have expressed concern that Mrs Aquino may be placing too much emphasis on the peace process while neglecting the military options for containing the insurgency problem.

In fact the hawkish stance of controversial Defence Minister, Mr Juan Ponce Enrile, may to a certain extent have been vindicated by the NPA's strategic advances this year.

Mr Enrile has angered his Cabinet colleagues by ignoring President Aquino's olive branch and insisting on a mailed fist approach to the revolutionaries.

The army is losing its last opportunity for a clear-cut military solution, he argues, while Mrs Aquino is risking everything on the results of the ceasefire conference.

If the peace talks fail the rebels will return to renew hostilities in a much stronger position than they were going into the negotiations.

But Mr Enrile's call for an all out assault against the insurgents has been rejected by some of his political and military colleagues. They point out the army sorely lacks the operational capacity to seek out and destroy the insurgents.

For the army's current shortcomings, a legacy of the Marcos years when corruption and patronage among the officer corps became widespread, they point the finger of blame squarely at Mr Enrile who, they say, has failed to introduce badly needed reforms and retraining programs which would give the armed forces a keener cutting edge.

Mrs Aquino may have taken a big gamble on peace talks with the NPA, but her policy of reconciliation and appeasement appears to be working with the Philippines other insurgency problem - the Muslim separatists of the south.

The once powerful Moro National Liberation Front which fought the army to a virtual standstill in a fierce secessionist struggle during the '70s, is now split into three factions.

Mrs Aquino recently met the

leader of one faction, Mr Nur Misuari, winning a commitment from him to abandon armed struggle in return for her pledge to grant autonomy to the Muslim provinces. She is now trying to win a similar agreement from the leaders of the other two factions.

Unlike the NPA, the Muslim guerilla armies have not progressed militarily for almost a decade. Even so, they cannot be dismissed as a spent force and will continue to threaten security in the southern islands until their grievances are tackled.

Insurrection has plagued previous Philippines governments while their inability to deal with the issues that provoked these uprisings have condemned their successors to face the same problem.

Mrs Aquino is hoping to succeed where her predecessors failed by persuading the rebels not only to lay down their arms but also to participate in building a new society.

The rebels also want a new society, but one according to their own vision, which may not necessarily match that of Mrs Aquino.

THAILAND

COLUMNIST WANTS SELF-RELIANCE IN TIES WITH U.S.

Bangkok DAILY NEWS in Thai 12 Sep 86 p 2

[Around the World column by Trairat Sunthonpraphat: "Thailand-United States"]

[Text] It's time for Thailand to take a careful look at its relations with the United States. We must stop being an underling of the United States and stop following its ass. We must take a careful look at things to see how much we have given the Americans in all our dealings with them. We must be prepared to announce that "we cannot retreat any further." Just like a dog that has been cornered, we must face the situation.

There are senior people in this country who have bound our country to the United States for many years. I have been giving warnings and pointing out U.S. attitudes toward Thailand for over a decade now. I have been doing this ever since I wrote the book "L.A., California." I have come under much criticism, but time has shown how great a friend Uncle Sam is. It has reached the point where the cabinet has had to have the Ministry of Foreign Affairs reconsider our relations with the United States.

We have sat about complacently. Instead of making preparations to protect ourselves, we have dallied. We know them, we know ourselves, and we know the problems. But we have adopted a "wait and see" policy and allowed the "bird to flee the cage before closing the door." We never show any interest until the "water is up to our neck."

We are engaged in a major war against our great ally the United States. Most recently, they attacked us by dumping sugar on the Chinese market. The price of sugar has plummeted. There are indications that they are planning to dump another 300,000 tons. This will hurt us even more. And that is not all. They have also dumped another 120 million tons of corn and cut prices. Our corn farmers are very alarmed.

At a General Agreement on Tariffs and Trade, or GATT, meeting, the U.S. special trade representative, Mr Clayton Yuetter, threatened that if America's four proposals were not included on the agenda, he would walk out of the meeting. Those four proposals were: 1. to have governments stop subsidizing

farm products, 2. to extend GATT rules to cover banking and international investment services, 3. to retaliate strongly against the piracy of copyrighted goods, and 4. to strengthen things within the GATT in order to be able to settle disputes within the group.

The United States wants to use the GATT as a tool to put pressure on others. But nothing was said about the things that Uncle Sam does outside the rules or the pressure that it applies to others. Countries throughout the world want the economic giants to stop using their influence. But nothing was said about that either.

We have trained ourselves to wait with open hands. When they don't give us anything, things collapse. Why don't we look at South Korea, Taiwan, and Singapore? They ask for things, but they also rely on themselves. The United States would like to hit back at these countries and implement protectionist measures against them. But it has been able to do only a few things, because these countries are able to stand on their own feet.

This is very different from Thailand, which doesn't know what it should do. We don't have a long-term policy. We focus on the immediate problems only and wait for something miraculous to happen. Our farmers have been trampled on, and large numbers of school graduates are unemployed. The Thai people are suffering.

11943

CSO: 4207/4

THAILAND

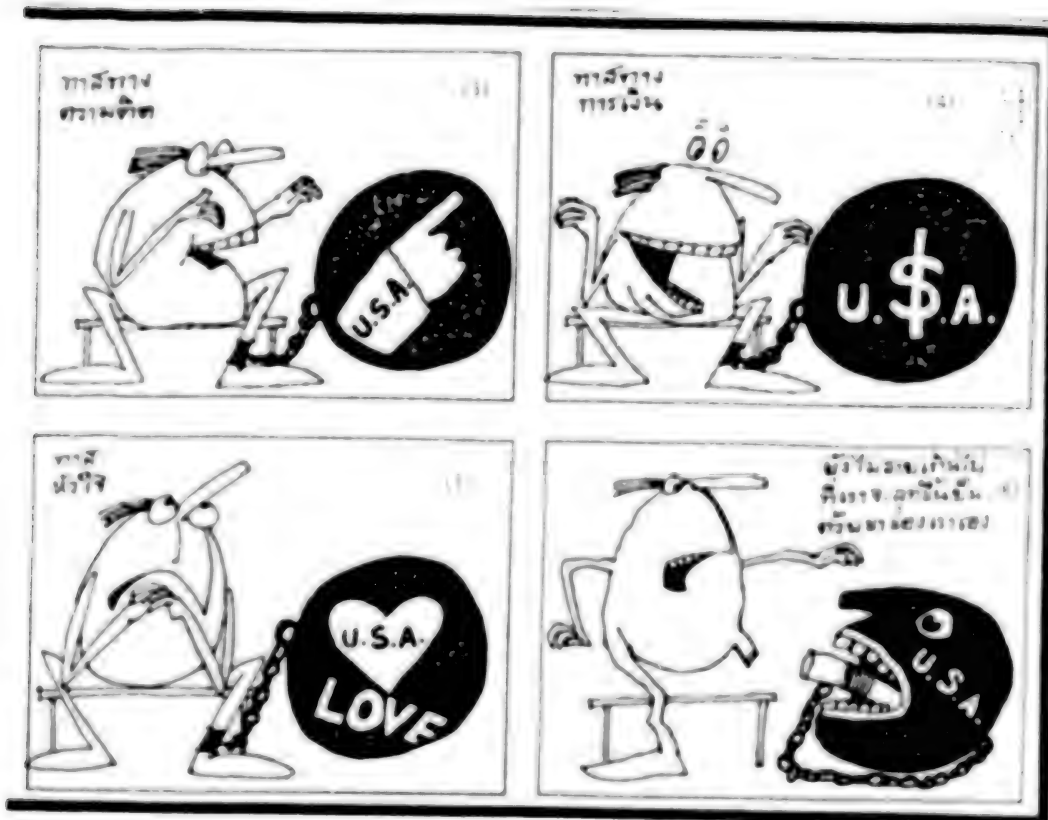
CARTOON SEES THAILAND AS U.S. SLAVE

Bangkok MATICHON in Thai 15 Sep 86 p 6

[Cartoon]



[Cartoon continued on following page]



- Key: 1. Wake up, fellow Thai, before we become "permanent slaves."
2. Intellectual slaves
3. Ideological slaves
4. Financial slaves
5. Confidence slaves: This government is supported by the U.S.A.
6. Security slaves
7. Emotional slaves
8. It's not too late for us to stand on our own feet.

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THAILAND

CARTOON LAMPOONS U.S. WEAPONS AID

Bangkok MATICHON in Thai 10 Sep 86 p 5

[Cartoon]

มารู้สึกตัว
ก็สายเกินไป

By the time we wake up,
it will be too late.



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CSO: 4207/4

THAILAND

COLUMN WANTS ASEAN MARKET, CITES PROTECTIONISM

Bangkok DAO SIAM in Thai 10 Sep 86 p 2

[Small World column: "An ASEAN Common Market"]

[Text] Establishing an ASEAN Common Market is a very interesting idea. This would give us greater bargaining power in dealing with other countries that have joined together in this way. Regardless of whether it is the EEC or the Eastern bloc's COMECON, the countries involved have joined together in order to increase their bargaining power and economic strength.

For this reason, ASEAN's Chamber of Commerce and Industry is thinking about forming an advisory team to consider and make recommendations on the best way to proceed in forming an ASEAN Common Market. According to the details, this advisory team will submit its recommendations to the ASEAN economic ministers for consideration before their next meeting, which is scheduled for February next year.

There may not be enough time left. But this is still an interesting idea. What will be gained will be well worth the time it takes to consider this carefully. Establishing an ASEAN Common Market would benefit the members economically. Prices would be set in a systematic manner. Members would not take advantage of each other. What is most important is that competition for markets would decline. This system would enable the group to bargain effectively with trading partners. Besides facilitating bargaining in the international trading system, this would enable the members to trade with each other using a satisfactory system of prices and conditions.

Today, the ASEAN countries are encountering marketing problems. Their trading partners, including the United States and other economic giants, are constantly applying pressure. Establishing a common market would solve this problem. Besides this, the non-aligned countries, which held a meeting in Harare, Zimbabwe, concluded that the developing countries will gain a greater share of the market. These ideas are very much in line with each other. The developing countries, most of which sell agricultural goods, will win the war against the industrialized countries.

At an ASEAN conference, President Corazon Aquino once stated that the trading system used within ASEAN should be changed in order to strengthen the

economies of the ASEAN countries. Engaging in bartering, cooperating with each other economically, and trading during times of shortages are ideas that will benefit the group.

In the past ASEAN has placed the emphasis on intractable political problems, such as the Cambodian problem. ASEAN has held conferences on this problem, passed resolutions, and set conditions. But it has not been able to solve this problem. As a result of wasting time on this, we have lost economic profits.

I am very happy that ASEAN is now taking the right path. I would be even happier if ASEAN officials placed greater emphasis on economic cooperation in this region. We, and ASEAN, must set up economic barriers for our own protection instead of setting up barriers to protect others.

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CSO: 4207/4

THAILAND

INTERIOR MINISTRY SAID STONEWALLING PEACE GESTURE TO LAOS

Bangkok NABO NA in Thai 15 Sep 86 pp 1, 2, 16

[Unattributed report: "Thai-Lao Peace Program Encounters Problems, Ministry of Interior Tables Matter"]

[Text] Activists in the Year of Peace program proposed holding a festival to help revive Thai-Lao relations. They wanted to invite Laos to participate in boat races along the Mekong River in Nong Khai and Mukdahan and show off the cultural arts of the two peoples. The governor of Nong Khai said that he did not object. But people are still waiting for a response from the Ministry of Interior. It is feared that the ministry will stall until it is too late to hold a festival.

Mr Khothom Ariya, a member of the board of the Year of Peace program, talked with NABO NA about carrying on program-based activities in order to promote cooperation and better understanding between countries, which is one of the program's goals.

As for Laos, one of Thailand's neighbors, Mr Khothom said that even though we are located close to each other, the two countries have different economic and political systems. And there is tension along the Thai-Lao border. This shows that the two countries are still not at peace. Thus, the peace committee feels that because this is the Year of Peace, this presents a good opportunity to take action to restore relations and have the peoples of the two countries become friends again just as in the past.

The program committee contacted representatives of Laos in order to ask them to participate in this program. Laos agreed in principle. The committee is now waiting for a response from the Thai side. Mr Khothom said that this program will be held in Nong Khai Province. Laos was invited to send a boat team to participate in a boat race to help cement relations. Laos used to send such teams in the past, although not every year. Every time that Laos participated in this race, the atmosphere was always very festive and lively, and the peoples on both sides were very interested.

Besides this, a group of cultural arts performers from Laos will be asked to come participate in the festival. There will be program announcements, trees will be planted, and peace stakes of both countries will be planted just as

was done in Lumpini Park, where Maj Gen Chanlong Simuang presided over the activities on 6 August. Mr Khothom said that this program will cost very little and that it will greatly benefit both countries.

Mr Khothom said that the original plan calls for a festival to be held on the Thai side in Nong Khai on 18 October 1955. And if Laos does not encounter any problems in carrying out things, the Thai committee will be happy to send cultural performers to put on a show on the Lao side on 19 October.

However, the Ministry of Interior has not yet given the Year of Peace committee permission to hold this festival. Dr Soem Phringphuangkao, the program chairman, sent a letter to the under secretary of interior, Mr Phisan Mulasatsathon, approximately 3 weeks ago requesting permission to hold this festival. But he has not received an answer.

Mr Sakda Aphong, the governor of Nong Khai Province, told NABO NA that Mr Khothom had once proposed trying to restore relations between the peoples of the two countries in accord with the Year of Peace program by holding cultural arts activities. "The province does not object. But permission must first be obtained from the Ministry of Interior," said Mr Sakda.

Mr Khothom said that because the Ministry of Interior has not yet given permission even though enquiries have been made frequently, he is afraid that it will not be possible to hold this festival. There are only a few days left. And Laos is waiting to hear whether this festival will or will not take place. If there is any further delay, Laos may not be able to prepare in time. It takes time to do things even though it has approved this in principle.

"I am trying to remain calm. Actually, we have formulated several other programs. We wanted to sail boats down the Mekong River from Nong Khai and Mukdahan. But now, even this will have to do for the time being. Initially, we submitted this program to a committee of the Office of University Affairs. But nothing came of that. We submitted this idea to the National Security Council and were told to be careful," said Mr Khothom in conclusion.

Mr Phisan Mulasatsathon, the under secretary of interior, said that he has not seen the proposal submitted by Mr Khothom Arip and that he doesn't know to whom this was submitted.

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CSO: 4207/19

THAILAND

COLUMNIST CITES CAMBODIA WAR WEARINESS, DK STRENGTH

Bangkok DAILY NEWS in Thai 31 Aug 86 p 2

["Society of the World Column" by Trairat-Udon-Saritsadet]

[Excerpt] The war in Kampuchea offers proof of many things, for example, that no group wants to continue fighting; they are all worn out and have lost the will to fight on because they do not know why they are fighting. The fight on and there is no victory. It is a fight in poverty. There is almost nothing to eat, unlike the war against the United States when if you attacked American forces, they left behind weapons and preserved food. It is not known how long the fighting will continue so it is better to maintain one's forces for tomorrow rather than fight and die today.

An influential group in military matters which is happy about this war of the Vietnamese has information that they will reduce their power here a great deal because the war in Kampuchea has gone wrong and they have not been as effective as they should have. In addition their military policy is becoming ineffective. Even the Soviets are fed up with the war. If they should want a military base, the white bear could take Khe Sanh in Vietnam; this would be better than getting mixed up in the destruction in Kampuchea.

The Kampuchean supporters of Sihanouk, who oppose the Vietnamese, are also creating a bad situation for themselves. They attack unceasingly but with little hope and poor results at a time when the enemy has them by the throat. Instead of joining together to fight the enemy, they fight each other.

Sihanouk, who came to Thailand a few days ago, does not trust the Khmer Rouge. He has often demanded that they agree to reduce their forces somewhat, but Beijing indicates that when the Vietnamese withdraw, the Khmer Rouge will split up even more and will become a civilian group rather than an armed group.

Each group agrees that the Khmer Rouge has the strength to oppose the Vietnamese military. If it were not for the Khmer Rouge, the Sihanouk government could not exist.

Keep watching the war in Kampuchea a while longer. In the coming dry season one will probably see something good. If the united front does not indicate that it will begin to fight against itself, it will probably attack more than in the past.

THAILAND

CARTOON LAMPOCNS CONTINUED HARBORING OF REFUGEES

Bangkok LAK THAI in Thai 11 Sep 86 p 8

[Cartoon]



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CSO: 4207/4

THAILAND

BURMA LOGGING SCANDAL GROWS, GENERAL PHICHIT COMMENTS

Phichit Cites Possible Forgery

Bangkok: NAE0 NA in Thai 24 Sep 86 pp 7, 10

[Unattributed report: "Big Sua Reveals Behavior of Timber Gang; They Forged Burmese Government Documents and Formulated a Plan To Fool Thai Officials"]

[Excerpt] Gen Phichit Kunlawanit, the assistant RTA CINC, told NAE0 NA that about 2 years ago, a group of private individuals requested permission to import Burmese logs into northern Thailand. They claimed that they had purchased the logs from Burma legally and that they had a certificate of origin.

This matter was brought up at an army meeting. After the discussion, Gen Athit Kamlangek, the RTA CINC at that time, expressed the view that the certificate of origin submitted by these people was a forgery. Because Burma had never authorized the export of logs along the border with Thailand. All logs were shipped from the port of Rangoon. Thus, this certificate of origin was turned over to the Ministry of Foreign Affairs, which asked Burmese officials about the authenticity of the certificate. Later on, it was learned that the certificate was in fact a forgery.

Today, there are reports that private individuals have again requested permission to import Burmese logs into northern Thailand. Just as in the case that took place 2 years ago, they claim that they purchased the logs from Burma legally and that they have a certificate of origin. "We are monitoring this closely. We are afraid that history will repeat itself. However, the authenticity of this document must be proven before we can come to any conclusions," said Gen Phichit. "As for the reports that a senior military officer sent a letter supporting the import of these logs into the north, I don't think that that is true. If Burmese government documents can be forged, so can Thai government documents. I would like to inspect that letter."

Gen Phichit said that many illegal sawmills have been set up on the Burmese side all along the border from Kanchanaburi on south to Prachuap Khiri Khan in the area of responsibility of the 1st Army Region. These people are trying to smuggle both logs and lumber into Thailand. He has ordered officials to take

special precautions to prevent smuggling. Because the government's policy is to be friends with Burma. "The illegal logs from Burma are Karen logs. How can we allow people to buy these logs and import them into Thailand? That would be tantamount to supporting the Karen in their fight against the Burmese government. I have to control this in accord with government policy," said Gen Phichit. "If timber is smuggled in from Burma, I will order it confiscated immediately based on my powers as the director of communist suppression activities."

Military, Politicians Involved

Bangkok NAEU NA in Thai 24 Sep 86 pp 7, 9

[Unattributed report: "Names of Shareholders in the Saha Kasikit Company Revealed, Includes Two Well-Known Generals, Government Officials, Politicians, a Newspaperman, and a Member of CRMA Class 9"]

[Text] It has been revealed that major shareholders in the Saha Kasikitwisawakan Company, which is one of the two companies that was granted permission to import illegal logs from Burma valued at 300 million baht, include a member of CRMA [Chulachomklao Royal Military Academy] Class 9, a former deputy director general of the Police Department, a former secretary general to Prem, and a Thai Nation Party MP. Governor Chaowalit Sutlapha used to own shares. The secretary to the present minister of commerce does not own shares but has been involved for a long time.

NAEU NA has looked into the background of the Saha Kasikitwisawakan Company, one of the two companies that was granted permission to import illegal logs from Burma, and learned that those behind this company include military and police officers, government officials, politicians, and a former secretary general to the prime minister.

This company was established in 1974. Today, it has registered capital of 1 million baht divided into 500 shares of 2,000 baht each. There are nine shareholders. The four largest shareholders are: 1. Mr Anon Chanphaisi, who owns 125 shares; 2. Police Lt Gen Chamrat Mangkharat, the former deputy director general of the Police Department who is now a Thai Nation Party MP from Kanchanaburi Province, who owns 100 shares; 3. Col Khemchat Nitisiri, who owns 100 shares; and 4. Lt Gen Chantharakhup Sirisut, the former secretary general to the prime minister, who owns 50 shares. The other five shareholders are: 1. Mr Rukchai Sanasen, who owns 40 shares; 2. Commander Rangsan Tantiyawet, who owns 25 shares; 3. Mr Chaleng Katthaliradaphan, who owns 20 shares; 4. Mr Kaiwan Chuchit, who owns 20 shares; and 5. Mr Seni Phaekeomani, who owns 20 shares.

With the exception of Col Khemchat and Mr Rukchai, who became shareholders in 1984, all the others became shareholders in 1979. It has been learned that Col Khemchat is a member of CRMA Class 9. He once served as the deputy chief of staff with the Lopburi Military District. But after the attempted assassination of Gen Prem Tinsulanon at the Lopburi Artillery Center, he was transferred to Army Headquarters. It has also been learned that Mr Chaowalit Sutlapha, the former governor of Lopburi Province and present governor of

Phetburi Province, once owned shares in this company.

This company received permission to import 20,000 cubic meters of illegal teak logs. They planned to bring the logs in through Mae Sariang in Mae Hong Son Province. This company first received permission in 1983 from Mr Phairot Chaiyaphon, the former deputy minister of commerce. At that time, Lt Gen Chantharakhup, who was then serving as the secretary general to the prime minister, played a major role in applying pressure to have permission granted. He sent a letter to Lt Gen Phrom Phinuan, the former 3d Army Region commander, and Mr Wichan Niwatwong, the under secretary of commerce, asking them to provide indirect support for this.

Several people in the Social Action Party are providing support, too. This includes the former secretary to the deputy minister of commerce, Mr Chiramit Chiamcharoenudomdi, an MP from Sakon Nakhon and the secretary to the present minister of commerce, and Mr Sayom Rammasut.

When permission was granted that time, it was Mr Phairot who signed the order on behalf of Mr Koson Krairuk, the minister of commerce, who was on a trip abroad. When Mr Koson returned, he was immediately called to the Government House by Gen Prem Tinsulanon, the prime minister. Gen Prem ordered him to cancel the permit. Mr Koson was told to find some way of doing this in view of the fact that both he and Mr Phairot belonged to the same party. Mr Koson managed to revoke the order signed by Mr Phairot by forbidding the Department of Foreign Trade to issue an import license to the Saha Kasikitwisawakan Company. As a result, Mr Koson came under heavy attack from fellow party members. It looked as if the matter might get out of hand and so ML (Royal title) Khukrit Pramot, the former leader of the Social Action Party, had to put a stop to the fight.

Later on, after Mr Koson resigned his position as minister of commerce and was replaced by Police Cpt Surat, an effort was made to have Police Cpt Surat restore the original order signed by Mr Phairot. This effort succeeded. Police Cpt Surat ordered that the original order to allow the import of these logs be restored. On 8 September, he ordered the Department of Foreign Affairs to issue an import permit to the Saha Kasikitwisawakan Company. And the company was not required to show a certificate of origin issued by the Burmese government. Because those were all illegal logs from Burma.

The request submitted by this company states that the import cost is 2,000 baht per cubic meter, with the total value of the logs imported being 40 million baht. But after checking market prices, it has been learned that market prices are as high as 12,000-13,000 baht per cubic meter, which means that the market value of the logs is approximately 300 million baht.

(NAED NA will also investigate the background of the Ruammit Kanrae Company, the other company that has been granted permission to import illegal logs from Burma, and present its findings in a future issue.)

General's Letter

Bangkok NAE0 NA in Thai 24 Sep 86 p 7

[Letter by Lt Gen Chantharakhup Sirisut, the former secretary general to the prime minister, to the under secretary of commerce dated 10 June 1983]

[Text] Secretariat of the Prime Minister
Government House, Bangkok Metropolitan 10300
10 June 1983

Subject: Request for permission to import logs from abroad.

To: The under secretary of commerce.

- Attachments: 1. Copy of letter from the Saha Kasikitwisawakan Company Ltd dated 2 May 1983.
2. Copy of Document 0334/5184 dated 1 June 1983 and the appeal by the Saha Kasikitwisawakan Company dated 17 May 1983.

Mr Anon Chantharaphaisi, the managing director of the Saha Kasikitwisawakan Company Ltd, sent a letter to the prime minister requesting permission to import logs from abroad. At present, all along the border with Laos and Burma, the area of responsibility of the 3d Army Region, trees are being felled illegally outside Thailand. If permission is granted to import that valuable timber without requiring the importers to show a certificate of origin, which is what the government of Singapore is now doing, this will benefit Thailand and increase security along the border. This will also increase revenues for the state and help reduce the illegal felling of trees inside Thailand. Details are provided in Attachment 1.

The Secretariat of the Prime Minister asked the 3d Army Region commander to consider this matter and to inform it of the facts about this matter. The forward 3d Army Region has submitted a report. Details are provided in Attachment 2.

The Secretariat of the Prime Minister has considered this matter and feels that the Department of Foreign Trade, Ministry of Commerce, stipulated conditions and regulations in order to prevent people from felling trees inside Thailand, transporting them to another country, and then bringing them back into Thailand. Now that the 3d Army Region has presented the facts concerning the request made by the Saha Kasikitwisawakan Company Ltd, it is requested that the Ministry of Commerce make a final decision. Please inform us of your decision. Thank you.

Sincerely,

Lt Gen Chantharakhup Sirisut
Secretary General, Secretariat of the Prime Minister

Finance and Economics Division, Tel: 2814400

Editorial on Foreign Policy Impact

Bangkok NABU NA in Thai 21 Sep 86 p 4

[Editorial: "Think Carefully"]

[Text] The Ministry of Commerce, which is headed by Minister Surat Osathanukhro, has decided to permit illegal logs to be imported from Burma without requiring the importers to show a certificate of origin. At present, there are three importers. Two plan to sell the logs domestically; the third plans to sell the logs abroad.

Minister Surat cited trade reasons for this decision. He said that this is no different from what Singapore is doing. Singapore does not have any tin, but it still has a large tin smelting plant. It has never cared what Thailand thinks. The fact that Minister Surat holds such a view is not wrong. But there is something else that must be taken into account and that is that Thailand and Singapore do not share a common border as do Thailand and Burma. In the case of Thailand and Burma, there is a much greater chance that this could have political and military consequences. The border area is politically unstable. Consequently, political matters and international relations must be handled more carefully than in the case of Thailand and Singapore. The tin is smuggled out by sea. It is much harder to arrest these smugglers than it is to arrest those who operate on land.

This action will enable the Burmese government to demand damages from the Thai government just as happened about 10 years ago. At that time, things grew so bad that a senior official from the Ministry of Finance had to resign his position. As for the damages that were paid, it is still not clear whether the money came from the government or from the private companies that had imported the timber. If the same thing happens again this time, has it been decided who will pay the damages? Will it be the importers or the government that pays? If things reach that stage and the Thai government has to pay damages to Burma, is that fitting?

Besides this, instead of acting like robbers, if Thailand really wants the timber, it should negotiate at the government level in order to persuade Burma to allow private Thai companies to operate concessions legally. This cooperation could be expanded to other sectors, which would benefit both sides.

Don't forget that Thailand has many problems with Burma over coastal fishing. Burma has seized Thai fishing boats and jailed Thai fishermen many times. Many lives have been lost. Thai fishermen want to fish in Burmese waters. The marine life there is worth much more than this small amount of timber. If people are thinking about taking the bull by the horns in dealing with the Burmese government over this minor matter, that is, the timber problem, Thailand's interests will be adversely affected on several other fronts, including fishing and international relations. People should think about this carefully as befitting good national leaders.

THAILAND

EDITORIAL WANTS ANTICORRUPTION UNIT UNDER PARLIAMENT

Bangkok DAO SIAM in Thai 9 Sep 86 p 4

[Editorial: "The Office of the Commission To Counter Corruption Should Be Subordinate to Parliament"]

[Text] There have been reports that the government will submit a bill to increase the powers of the Office of the Commission to Counter Corruption (OCCC) in order to enable this unit to carry out its duties more effectively. To date, the OCCC has not been very effective. Because when an investigation is conducted and evidence of a violation is found, the matter is turned over to the unit to which the person is subordinate. Those units frequently find that no violation was committed. Thus, the OCCC's activities have not hit the target.

The idea of improving the OCCC is a good idea. The government has not been complacent about corruption in government circles. Each year, the government has asked the House of Representatives to approve a budget totalling several hundred billion baht. But some of the budget funds are spent in ways that deceive the people. Even though this is not done directly, there are other ways.

We approve of revising the law to give the OCCC greater power. This revised law should give real power to those carrying out this work. It should not be just a scrap of paper. Also, activities should be carried out resolutely. If a person is guilty, then he should be called guilty; if he is innocent, people should say so. There shouldn't be any equivocating.

In order to increase the efficiency of the OCCC, this unit should be removed from the Office of the Prime Minister and placed under the control of parliament. Because by the nature of its work, the OCCC is a control unit. No one is going to turn himself in for committing a crime. The people are still being deceived. Thus, even if the OCCC is given greater power in principle, actual operations will not improve unless this unit is placed under parliament.

11943

CSO: 4207/4

THAILAND

EDITORIAL: MOURNS ATHIT RETIREMENT, URGES POLITICAL TRY

Bangkok DAILY NEWS in Thai 4 Sep 86 p 5

[Editorial: "To Gen Athit Kamlangek"]

[Text] At this time Gen Athit Kamlangek, who has become the former supreme commander of the army of Thailand, has the position of being just a private citizen because he has completed his term of government service and was required to leave, after his extension of 1 year, on his birthday this year, 31 August.

His illustrious history is well known to the average person, and on the day that he was required to leave office many groups felt a loss.

It is unfortunate but he indicated that when he left government service he wanted to rest like an old person and not get involved in the affairs of the country.

It is unfortunate because our country needs capable individuals to help end the deterioration we have experienced and are experiencing and to help us return to progress and prosperity. If capable individuals who are respected and loved by the people and groups in general, as is the case with General Athit, are just completely then we are losing something which would help raise the status of our country, and this is not right.

It is well known that our country lacks good politicians and political leaders greatly; careers in this field have been discouraged because of objections to the situation arising from the coups d'etat which are constantly weakening our political institutions and politicians.

It is all regrettable that in the last general election General Athit gave up the opportunity to enter the election even though it was well known that if he had entered he would have won without a doubt. He probably had very few personal reasons for doing this, but at that time he was still a government official.

Now he is an ordinary citizen and is free to enter politics without provisions and objections. We wish to support him in a role in politics later within the democratic system.

If there is an election to restore the members of the assembly some day soon, because these are members whose term will expire at some time, we hope it will be his intention to enter the election so that our country will have someone in politics with leadership characteristics. There will be a shortage of these in the future.

STAFF/CSH

Chm. 12/1/54

THAILAND

CRMA CLASS BALANCES IN ARMY COMMANDS, FUTURE SLOTTING

Bangkok SU ANAKHOT in Thai 8-14 Sep 86 pp 10-14

[Article: "The Three Steps for Suchinda Kraprayura, Next in Line After 'Big Chot'"]

[Excerpt] CRMA [Royal Military Academy] class 8 increases its number of generals. The new cards of Big Chiu.

No 178 was Col Manat Aramsi, who is to be the commander of the Second Infantry Division. No 184 was Col Araphan Watanawibun, who is to be the commander of the Second Special Warfare Division. No 195 was Col Banthao Yaiketu, who is to be the commander of the Sixth Infantry Division. These are three new generals of Ch.P.R.8 from the list of officer promotions this year.

Col Manat rose from deputy commander of the Second Division to commander by way of an important honor in the past; he was commander of the 21st Infantry Regiment, the Queen's Guard or Queen's Tigers.

Col Araphan rose from deputy commander of the Second Special Warfare Division to commander of this division after holding the position of commander of the Fifth Special Warfare Regiment in Chiang Mai Province. He is an officer who has always worked closely with General Chawalit. When he was in charge of the Fifth Special Warfare Regiment, he was given important assignments by General Chawalit in starting the battle to suppress illegal drugs in the north.

Col Banthao Yaiketu moved from deputy commander of the Sixth Infantry Division to full commander.

Before this in Ch.P.R.8, those with the rank of general included Major General Watana Sanphanit, the commander of the First Special Warfare Division; Major General Kitti Ratanachaya, the commander of the Fifth Infantry Division; Major General Yutthasak Sasiprapha, chief of staff of the Border Defence Department; Major General Naruden Detchpradiyut, secretary for the army; and Major General Kamon Udomsila, secretary for the Supreme Command Headquarters, who this year will be transferred to assistant chief of staff for central administration in the office of the supreme commander, it is thought.

I feel that the promotions at the level of regimental commander, which will come in a wave after this, will indicate clearly the new view in Ch.P.R.8 when General Chawalit is grooming because this chain is in line to become the lower-level replacements for Ch.P.R.5 and is steadily advancing toward the top of the replacement pyramid.

Reducing the Number of Ch.P.R. 1 Division Commanders, Keeping Eight in Place.

These promotions caused the Ch.P.R.5, which had been very stable in maintaining its division commands, to be reduced somewhat from 11 division commands last year to 8 this year.

In addition Major General Sala Sipen will transfer from commander of the Second Division to commander of the First Division. Major General Bunthoen Niapchaloei, another from Ch.P.R.5, will transfer from commander of the Sixth Division to commander of the Third Division.

The divisions in which Ch.P.R.5 maintains the commander's position and in which there are no changes include the Fourth Division commanded by Major General Choe Phethisinak, the First Cavalry Division commanded by Major General Phairat Chanthra-urai, the Second Cavalry Division commanded by Major General Ariya Ekhosakit, the Artillery Division commanded by Major General Phuchong Nilakham, the AAA Division commanded by Major General Wirot Saengsanit, and the Floating Division, which is the First Infantry Division, commanded by Major General Waraphim Ditsayabutra.

Of those who filled division commander positions vacated by Ch.P.R.5, three came from Ch.P.R.8 to command: the Second Division, the Sixth Division, and the Second Special Warfare Division. The divisions which the Ch.P.R.8 will control as before are the Fifth Division and the First Special Warfare Division.

From Ch.P.R.9 Major General Mongkhan Amphaphanit will take the position of commander of the Ninth Division.

Golden Year of Ch.P.R.1

When General Chawalit, the leader of Ch.P.R.1, gained the position of head of the army, Lieutenant General Sunthan Khamsamphong shifted from commander of the Fifth Army Region to assistant commander of the army with the rank of general, which puts him in line for commander of the army. Lieutenant General Wanchai Ruangtrakun of Ch.P.R.1, who achieved the rank of general as chief of staff of the army, is also in a position which is in line for commander of the army.

In Ch.P.R.1 those advancing to the rank of lieutenant general include Major General Panya Singsakda, who will become a lieutenant general in the position of assistant army chief of staff for joint operations; Major General Chaichana Tharichatra, who will advance to commander of the Third Army Region; and Major General Aphichit Inthraphithak, who will advance from deputy commander of the Third Army Region to commander of the Strategic Communications Unit of the Security Center.

Lieutenant General Charoel Wongsayan of Ch.P.R.I has moved up in time to be a general next year. He has transferred from assistant chief of staff for civilian affairs to deputy chief of staff of the army.

In any case if one examines the ranks of those lieutenant generals of Ch.P.R.I holding important posts, one will find Lieutenant General Ngamphon Nutsathit, assistant chief of staff for information; Lieutenant General Kasem Sangmaneechai, assistant chief of staff of the army for support; and Lieutenant General Wichai Phoemsap, deputy comptroller general of the army.

Next Commander of the Army--Who Will Be the Heir of Big Chai?

It is said that General Phisit Hemabuttra will be in the position of deputy commander of the army for only 1 year, and in September 1987 one of two assistant commanders of the army, Lieutenant General Phichitra or Lieutenant General Sunthan, will rise to the position of deputy commander of the army and will be heir to the position of commander of the army after General Chawit in 1988.

Lieutenant General Wanhai rose to chief of staff of the army this year, and it is also thought to be in line for the position of commander of the army, but it is acknowledged in Ch.P.R.I that the course of Lieutenant General Wanhai's promotions will tend toward chief of staff later at Sansam Sue Fu rather than rise in the army because his promotions have been only in staff positions and also because of something obscure between him and a vicereine during the time when he worked closely with General Abhit.

Behind army is a change in the balance of power within the army regions. It is fairly certain that next year Lieutenant General Sunthan will be the assistant commander of the army, who is in line for deputy commander of the army.

It is said of Lt Gen Phichitra Kuntawongit that even though he was promoted to general he is appropriate for the position of assistant commander of the army, as in the case of Lieutenant General Sunthan, nevertheless it seems that the advancement of Big Tiger without slipping outside his circle of power at all has proceeded under a lenient but difficult-to-understand policy of the new army leader.

And there have been comments that his advancement to assistant army commander only appears good on the outside but underneath it is equivalent to slipping outside his real base of power in Army Region 1; Big Tiger is in a different situation than Big Chat in that even though Big Chat will advance beyond his position of commanding troops, nevertheless the division-level commanders of the army regions will generally support Big Chat.

It might be true that the new commander of Military Region 1 has worked with Big Tiger in the past, but the base of power in Army Region 1, especially the First Division and the Ninth Division, clearly supports Big Chat.

Even the commanders of Army Regions 2, 3, and 5 respect the superior power base of Big Chat.

A summary of Big Tiger ought to note this situation: he advanced to a fairly good position but in fact this meant leaving his base of power without leaving heirs in lower positions to support him.

Three Steps or Suchinda

It is said that beneath the close cooperation between Ch.P.R.1 and Ch.P.R.5 there was a certain amount of creating heirs for the following year. When Lieutenant General Sunthon advances to deputy commander of the army next year, Lieutenant General Charual Wongsayan will get the rank of general in the position of acting assistant commander of the army, and Lieutenant General Wanchai will become chief of staff at the supreme command headquarters in order to open the way for Lieutenant General Suchinda to be in line for army chief of staff.

The many instances of Ch.P.R.5 promotions from division commander to deputy army region commander show that in 1 or 2 years the number of those from Ch.P.R.5 in line for army region commander will increase greatly, whether it is Maj Gen Sunthon Teenthongchai rising from commander of the Third Division to deputy commander of the Second Army Region, Maj Gen Khachara Samanwong rising from commander of the Second Special Warfare Division to deputy commander of the Special Warfare Command Unit, Maj Gen Uthetchai Thirattanan rising from commander of the Ninth Division to deputy commander of Army Region 1, or Maj Gen Phairat Hongsinak rising from chief of staff of Army Region 2 to deputy commander of Army Region 2.

And this is the power base guaranteeing the path of promotion to the top of the army for Lieutenant General Suchinda.

The upcoming return to duty of 18 young turks will cause unending talk about Lieutenant General Suchinda from the young turk group, and it may be part of the effort to create good will by the key man of Ch.P.R.5.

In transfers this year Lieutenant General Suchinda advanced in the first step; he became deputy chief of staff of the army. The path to the second step, chief of staff of the army, will not be difficult and will prepare the way to the third step, the highest position in the army.

Finally it is said that the show of harmony and compromise by all sides in transfers this time is the first step in creating good will for a move to the prime ministership by General Chawanit after he retires in 1988.

And to guarantee the path to the prime ministership, Lieutenant General Sunthon and Lieutenant General Suchinda must be made his heirs to the army.

SIAM/11818

CMH: 1207/159

THAILAND

BRIEFS

HAN MAY REPLACE PHICHAI AS DP LEADER--Han has said that he is ready to become the leader of the Democrat Party [DP]. Other candidates have kept quiet. "If that is what people want, I am ready. But it must be a party resolution. I don't know how this will turn out," said Gen Han Linanon, the minister of agriculture and cooperatives in his capacity as the deputy leader of the Democrat Party, during an interview at the Government House before the cabinet meeting held on the morning of 7 October. He was referring to the fact that some members of the Democrat Party want him to become the party leader. Recently, under pressure from DP MPs, a number of DP branches in the provinces submitted a letter calling on Mr Phichai Rattakun to resign his position as party leader and allow the party to elect a new executive committee. These party branches feel that the present executive committee is incapable of resolving the internal conflicts, which have tarnished the party's image in general. As a result of this demand, party committee MPs and party branches are coming out in support of people whom they would like to see become the next party leader. Candidates include Gen Han, Mr Marut Bunnak, and Mr Chuan Likhai, all of whom are now deputy party leaders. Mr Marut told reporters that he does not have a view on this demand. Mr Chuan has not expressed an opinion either. [Text] (Bangkok NARO NA in Thai 8 Oct 86 p 1) 11943

CSO: 4207/19

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

SPECULATION ON CGDK WISH TO SELL EMBASSY PROPERTY REPORTED

Bangkok NAM THANG in Thai 15-21 Sep 86 pp 21, 22

[Excerpt] There have been bad rumors. For example, it is rumored that a land agent from Tokyo, Japan, wants to buy the land on which the Cambodian embassy in Tokyo is located in order to build a new shopping center. The Cambodian embassy in Tokyo is located in the heart of a major business area.

It is the CGDK, which is recognized by the United Nations, that has the authority to sell the embassy property. Thus, this land agent is focusing his attention on Thailand, because he is well aware of the fact that there are several senior military officers who are close to the CGDK. This land agent has decided to "go through the wives." That is, he is trying to get the wives to talk to their husbands, who are close to CGDK "leaders," and have them convince these people to sell the property. It is not known how much progress has been made.

NAM THANG asked Air Chief Marshal Bithi Sawetsila, the Thai minister of foreign affairs, whether it is true that the wives of senior military officers are involved in this. He replied that "senior government officials learned of this and conducted an inquiry. There was no truth to this. None of our people is involved in this. That involves Japanese investors and agents, who want to purchase that property."

Because Air Chief Marshal Bithi Sawetsila said that there is no truth to that, we have to believe him. But one thing that provides an answer is the phrase "knew about the rumors." And our minister of foreign affairs, who is a very important figure in ASEAN, said that "I am not in favor of the CGDK selling its embassy property." But if it sells the property, that will damage its image. Others will say that it has to sell off its assets to survive.

He also said that the Japanese Government would probably not allow the CGDK to sell its embassy property in Tokyo even though the Japanese Government does not recognize the CGDK. Actually, the Japanese Government has never abandoned the Cambodian Government recognized by the United Nations.

11243
CDO: 4007/14

DIPLOMACY AFFAIRS AND PUBLIC SECURITY

VIETNAM

NEWS AND CURRENT SMOUGLER CASE IN HAIPHONG

REUTERS' and Domestic Service in Vietnamese 1100 GMT 14 Oct 86

[11 OCTOBER 1986] [ONE SOURCE]

[Hanoi] In early 1985, Pham Ngoc Bao led an 18-member team abroad to buy the ship "Thao 1." On his voyage home, he brought along 41 motorized vehicles, 30 motorcycles, 13 televisions, 31 bicycles, and 20 cassette radios along with some sewing machines, electric skillets, looms, vacuum cleaners, generators, washing machines, blenders, and other goods.

Understand about 7 of their per diem allowances provided by the state, they could not have bought those goods. The Haiphong customs agency wanted to deal with the large amount of contraband. However, the official in charge of the central customs department at that time intervened, so Pham Ngoc Bao and his accomplices could get all those goods through customs, and their migration was not held with according to law.

Early in the first quarter of 1986, the Hanoi Sea Transport Company sent a cadre team to a foreign country to have the "BN-2" repaired. Pham Ngoc Bao, deputy director of the company, was charged with organizing the trip and seeing the cadre team off. On 1 November 1985, Bao led the team to Chua Vo Port, Haiphong, to complete the exit procedures. The customs cadres requested the team members to make voluntary declarations of their possession of foreign exchange, gold, or illegal goods, if any. Bao was the first person to say that the team had nothing to declare. Through inspection, the customs officials found that Bao and five others brought along gold, foreign exchange, and antiques. A flagrant offense report was filed.

The customs cadres found a great quantity of gold and some foreign currency inside the team's boxes. When the report on the case was ready, Bao invited the customs cadres for some refreshment, but his invitation was not accepted. Although Pham Ngoc Bao was not going abroad this time, he had tried to pass his gold and foreign currencies to his accomplices in the team to buy contraband. Hiding gold inside a toothpaste tube is a smugglers' trick to deceive the government authorities. Pham Ngoc Bao's and his accomplices' illegal acts were noted in the Haiphong government officials' reports.

Two days later, the Haiphong customs office submitted a report on the case to the Haiphong People's Control Institute, recommending that charges be filed in

the smuggling case involving Pham Ngoc Bao, Nguyen Duc Du, Le Huu Nghi, and Le Dang Chung and that an investigation be carried out to determine criminal responsibility. The fifth person, Nguyen Huu Tinh, was temporarily exempted from immediate prosecution because of a letter from the director of the Hai Sea Transport Company. This instance of Bao's smuggling was even more serious than the last one. However, Bao and his accomplices were acquitted. Nearly 1 year afterwards, on 15 October 1983, the Haiphong customs office issued orders to confiscate the evidence incriminating Bao and his accomplices.

/12232

CSO: 4209/81

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

THAI RELATIONS, ACTIONS IN REGION SCORED

BK181052 Hanoi International Service in Thai 1130 GMT 17 Oct 86

[Station correspondent commentary]

[Text] Dear listeners, the Thai Government has been talking about its goodwill in connection with relations with Vietnam and the other Indochinese countries and, at the same time, they cooked up fabrications about the so-called Vietnamese violation of Thai territory. Here is opinion of our radio correspondent.

The Thai Government recently issued statements to the effect that it wants to improve relations with its neighboring countries. Thai Foreign Minister Sithi Sawetsila declared that Thailand will not allow its territory to be used to undermine the stability and governments of its neighboring countries. Unfortunately, the Thai Government has not yet done anything to turn its words into deeds. The Thai Government continues to violate the PRC's territorial sovereignty and support the crimes committed by the Pol Pot remnants and the other Cambodian reactionary forces against that country.

From the last week of September to the first week of October, Thai planes violated Cambodian airspace on dozen of occasions. It should be also noted that Thai soldiers made hostile movements against the revival of the Cambodian people. From 21 to 28 September, over 6,000 artillery shells were fired into Cambodia to support the four Thai infantry companies in the operation to take over Hills 537 and 310 which are located 1 kilometer deep inside Cambodian territory in Battambang Province.

Moreover, the Bangkok administration allowed Western journalists stationed in Thailand to accompany the Cambodian reactionary group to intrude into an area of Sisophon District in Battambang Province.

Meanwhile, the Thai Government has joined hands with the United States to set up U.S. arms depot in Thailand.

Commenting on such behavior by Thailand, Thailand's BANGKOK POST newspaper said that Thailand can only aggravate tension in Southeast Asia. REUTER noted that the Thai Government will face opposition from political activists and masses in the country. Thai public opinion has also rejected groundless fabrications

made by the government. During a recent seminar in Pattaya, Sukhumphan, director of the Foreign Relations and Security Research Institute of Chulalongkon University, said that Vietnam is not a threat to Thailand. SIAM MAI newspaper once stressed there is no evidence to prove that Vietnam has ever attacked Thailand. This is the truth.

Vast public opinion hails the correct stand and good-will gesture of Vietnam which were clearly illustrated in the renowned speech delivered on 6 October by Minister Vo Dong Giang at the UNGA session. Two American students from the Faculty of Asian Affairs of the University of Maryland went to New York to listen to the Vietnam representative's address. After Vo Dong Giang ended his speech amid loud applause, the two American friends waved Vietnam's national flag inside the UN auditorium to pay their respect to the Vietnamese people's just cause.

During his meeting with Minister Vo Dong Giang, UN Secretary General Javier Peres de Cuellar expressed his optimism over Vietnam's open approaches to the problems and [words indistinct].

/12232

CSO: 4207/28

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

SRV UN ENVOY ON ECONOMIC, FOREIGN DEBT CRISIS

OW200719 Hanoi Domestic Service in Vietnamese 1100 GMT 18 Oct 86

[Text] On the afternoon of 15 October, at the UN headquarters in New York, Ambassador Bui Xuan Nhat, acting chief of the SRV permanent delegation to the United Nations, participated in the discussion of item No 143 on foreign debts and development, a new subject inserted into the agenda of the 41st UN General Assembly.

The ambassador stressed: The current foreign debt crisis constitutes a great concern for the international community. It is so important that it must not only be settled in its technical, financial, and economic aspect, but must also be given a political and social significance.

The ambassador expounded the SRV delegation's viewpoint that the economic and foreign debts crises require an overall settlement involving reexamination of the structure of the present international economic system, the economic policies of developing countries, the issues relating to this system, and the economic development of developing countries. To secure a long-term solution to the foreign debt crisis, it is necessary to set up a new international economic order on the basis of equality and confidence.

The ambassador demanded that the developed industrial countries adopt measures to readjust their economic policies in conformity with socioeconomic priorities and respect the developing countries' sovereignty over natural resources and their economic systems.

/12232
CSO: 4209/81

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

BRIEFS

UNDP MEETS IN BANGKOK--The UN Development Program (UNDP) held a conference in Bangkok from 6 to 9 October. A total of 23 UNDP representatives and 30 representatives of various countries having relations of cooperation with the UNDP in the Asia-Pacific region participated in the conference. A representative of the SRV and the UNDP representative in Hanoi also attended. The main task of the conference was to consider various regional projects worth \$200 million which are focused on promoting the transfer of technology and the development of human resources. The conference also concentrated on discussing measures and guidelines aimed at ensuring the most effective use of UNDP aid to various nations. Mr (William) Repebar, general director of the UNDP, took part in the conference. [Text] [Hanoi Domestic Service in Vietnamese 1430 GMT 9 Oct 86 BK] /12232

THAI ENVOY LEAVES HANOI--Atsada Chaivanam, Thai ambassador extraordinary plenipotentiary to the SRV, left Hanoi on 22 October at the end of his term of service in Vietnam. [Text] [Hanoi Domestic Service in Vietnamese 1430 GMT 22 Oct 86 BK] /12232

THAI ENVOY'S FAREWELL CALL--Atsada Chaivanam, ambassador of the Kingdom of Thailand to the SRV, on 15 October paid a courtesy and farewell visit to Nguyen Huu Tho, vice president of the Council of State, before going home for a new assignment. Vice President of the Council of State Nguyen Huu Tho had a cordial talk with Atsada. Also present at the meeting was Le Trang, deputy director of the Office of the National Assembly and the Council of State [position as heard]. [Hanoi International Service in Thai 1130 GMT 16 Oct 86] /12232

SOVIET COCONUT AID--According to a contract signed between Minh Hai Province and the USSR: For the period of 1987-1990, each year the USSR will provide this province with 2,700,000 roubles worth of agricultural materials, for the exploitation of its existing 34,000 hectares of coconut plants, in exchange for 50 tons of coconut oil. After 1990, Minh Hai will receive more than 35 million roubles per year, for four years, to grow 31,000 hectares of coconut plants. During these four years, and two years after that period, the USSR will receive 40 percent and will buy 40 percent more of the harvested crops. [Text] [Paris DOAN KET in French Oct 86 p 21] /9274

CSO: 4219/2

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

HA TUYEN OUTLINES TASKS IN DRAFT POLITICAL REPORT

BK181611 Hanoi NHAN DAN in Vietnamese 13 Sep 86 p 3

["Party Building" column: "Ha Tuyen Provincial Party Organization's Socio-economic Targets"]

[Text] Reviewing the implementation of the resolution of Ha Tuyen provincial party organization's third congress, the draft political report of the provincial party organization's Executive Committee to the fourth congress of delegates of the provincial party organization says:

Ha Tuyen realized the tasks and targets set forth at the congress at the time when it had been transformed from a rear base of the two wars of resistance against France and the United States into the first line of direct combat against the Chinese aggressors.

Following its defeat in the February 1979 war of aggression, the enemy has intensified its multifaceted war of sabotage and mounted continuous attacks along the entire provincial borderline. Since early 1984 in particular, the enemy has mobilized forces of all types, both artillery and infantry, to launch fierce attacks and nibble at the number of hills on the border, especially in Vi Xuyen District. Along with launching fierce land-grabbing and shelling attacks, the enemy has also conducted many espionage operations: sent commandos to intrude into our territories to lay ambushes, kidnaps, and assassinate our cadres, soldiers, and people; waged a psychological war to undermine us politically, ideologically, and organizationally; and planted agents in our internal ranks in an attempt to attack us and foment rebellious and sabotage activities from within.

Economically, the province has been hindered by complex natural conditions, poor material-technical bases, low production capacity, and the limited capability of party cadres and members. The escalation of military activities and the multifaceted war of sabotage conducted by the enemy have caused many difficulties.

Deeply understanding the line of the socialist revolution and the line of the people's war and the all-people national defense system, the party organization has defined the political tasks of the province as a whole and of every district and basic unit in particular. We have simultaneously resolved a series

of problems in the political, ideological, and organizational fields, promoted socioeconomic development, built our combat forces, and set up a people's war front--fighting while carrying out production and improving the people's life. We have actively combined the local people's war with the people's war using main-force army corps and built the armed forces into the true backbone of the people's war. At the same time, we have paid utmost attention to building and consolidating the militia and self-defense forces in order to make them sure, firm, and strong on the frontline as well as in the rear.

Clearly recognizing the enemy's schemes and realizing their responsibility toward the fatherland, the people of all nationalities in the province, together with the armed forces, have made efforts to overcome numerous difficulties, contributed manpower and materials to preparing battle positions, and created material conditions for production and combat. At the same time, the province has effectively made use of the support and assistance given in various sectors at the central level, the Second Military Region, friendly provinces, and people throughout the country to develop its economy and strengthen its national defense capability.

In building the armed forces, the province has paid attention to developing comprehensively firm and strong people's armed forces consisting of all categories of troops that are rationally organized and placed under a unified command: linking national defense with security; and solidifying the security forces at the district and grassroots levels. The armed forces have closely coordinated their operations to effectively enforce border control regulations and carry out measures, programs, and plans designed to counter infiltration, intelligence, espionage, and sabotage activities by the enemy in the border region and in the country's interior and foil its scheme to foment rebellions. The various districts have been built comprehensively to become military fortresses that are ready to defeat every land-grabbing attack by the enemy and fight while carrying out construction work at an ever firmer and faster rate.

Beside the achievements recorded in the fields of national defense and security, the party organization has successfully guided implementation of the party's line for economic development in a mountainous district that is on a war footing.

The province's gross grain output in paddy equivalent reached 110,735 metric tons in 1985, exceeding the target set at the congress by 735 metric tons (and 82,000 metric tons more than that of 1980). Although the population had increased from 780,000 in 1980 to 890,000 in 1985, average per capita grain output increased from 238 kg in 1980 to 305 kg in 1985. Instead of having to depend on state assistance to cover their annual grain shortage as in the past, the border districts have now been able to meet the people's demand for grain and sell some grain to the state. Industrial and food crop cultivation and livestock breeding have continued to develop, especially peanuts and soybeans. Peanut output has increased by 242 percent over 1983 and soybeans, by 11.7 percent. The number of cattle has reached 102 percent of the congress target (with buffalo falling short by 6,000 heads and pigs exceeding the target figure by 10,000 heads) and the number of hogs, 91.7 percent.

Forestry production has initially been reorganized as part of the movement to promote settled farming and a settled life and to build the district level. Some 116,000 hectares of lands and forests have been allocated to 455 cooperatives and another 49,112 hectares, to 77,425 cooperative members' families for production and business purposes. Forest preservation and afforestation activities have been stepped up, and the wanton practice of forest destruction has been checked.

Gross industrial output has reached 102.9 percent of the congress target. In particular, a number of new products have been introduced to serve production, combat, and export such as prefabricated frames for building fortifications, bamboo screens, rice threshers, gauze, hand towels, glazed ceramics, barite powder, toilet paper, and so forth.

In capital construction, the province has contributed tens of millions of man-days and a lot of money and materials to building various projects on the border defense line, opening and upgrading roads, building bridges and communications lines, and building water conservancy and hydroelectric projects. At the same time, guidance has been focused on ensuring smooth communication on the various roads; and transportation means are concentrated on meeting the demand of national defense and on moving nitrogen fertilizer and goods to the high mountainous areas.

Export-import activities have been further developed. The various echelons and sectors have paid attention to tapping potentials and practicing thrift in consumption in order to rapidly increase the volume of exports (export value in foreign currency has increased 2.3 times over 1983).

Distribution and circulation still remains a weak link, but progress has been made in some respects. The various party committee echelons have closely guided efforts to step up production while controlling distribution and circulation, rounding up money and goods, and managing the market and prices at the grassroots level. Grain procurement has increased annually (with the volume of grain procured in 1985 almost doubling that of 1980 but still falling short of the congress target).

The party organization has intensified efforts to enhance the vanguard character, leadership capability, and militant strength of party units and party members; to step by step consolidate basic party units; and to improve the quality and purity of the contingent of party members. The consolidation of basic party units has been closely linked with efforts to carry out political tasks and strengthen administrative bodies, the armed forces, mass organizations....

Although great successes have been achieved, there are still shortcomings in leadership and guidance.

Thoroughly understanding the central resolutions, the provincial party committee issued resolutions on the socioeconomic situation, national defense and security, and party development. Some aspects of leadership and organization are still affected by conservatism, sluggishness, and delay in renovating economic thinking and leading behavior. In some places and at times, there still are manifestations of liberalism, casualness, dispersion, departmentalism, and localism

which are at variance with the principles of socialist management. The rationalization of economic structure, the reorganization of production, and the renovation of management system are being carried out slowly. Guidance has not been concentrated on the completion of drafting task, while the planning task is being slowly renovated and plans have not been established at grass-roots level. Although agriculture has been determined as the foremost battlefield, investment in agriculture has not been appropriate and uniform while the material and technical bases and the service network in support of agriculture are still poor and weak. The agricultural and forestry processing industries and the production of consumer and export goods are slowly improving and have not been developed commensurately to the potential, capacity, and requirements of production and life.

Following are some of the contents concerning the socio-economic guidelines and tasks for 1986-90:

--Consolidate and strengthen national defense and security: build a strong position of the people's warfare; ensure the fulfillment of all requirements for combat and combat preparedness to defeat the enemy in all circumstances; combine the economy with national defense and vice versa, making both growing strong constantly:

--Stabilize and develop production, primarily agricultural production;

--Accelerate the production of grain, food products, raw materials for processing industry, and goods for export; quickly increase grain production volume for self-sufficiency in districts and then to resolve the grain problem for the whole province: increase the grain reserve for the state and people: be sure to reach the total production volume of 150,000 metric tons of rice equivalent grain by 1990.

There must be real improvement in concentrating investment in the building of material and technical bases to support the intensive cultivation of crops, irrigation, and other infrastructures. Effort must be concentrated on exploiting and using all the potentials in terms of land, labor, and existing material and technical bases in order to carry out intensive cultivation and expand the area of food crops, industrial plants, vegetables, and legumes. It is necessary to accelerate the reclamation of virgin and fallow land, rationally use terrace land along with settling life and farming and building new economic zones, and gradually adjust and rationally organize the population and labor in each village, each district, and the province as a whole. Crop cultivation patterns should be made suitable to each ecological area while ensuring crops be planted on schedule and quickly putting the system of high-yield seeds into production. Stable manure, inorganic fertilizer, and lime must be increased sufficiently, and timely action be taken to eradicate insects. The building and expansion of intensively cultivated and high-yield rice and corn areas must be continued.

There must be rational policies on investment and prices, and good measures to develop vigorously such industrial plants as tea, peanut, tung, citronella, bean, sesame, cotton, flax, sugarcane, lacquer, orange, cinnamon, and so on.

Medicinal plants must be developed on both low and high lands in close combination with the local procurement, preservation, and processing of pharmaceuticals.

It is necessary to increase the quality and output of seed of turnip-cabbage and other types of vegetables and beans so as to meet the province's demand and have some for exchange with other provinces.

Efforts must be made actively to apply scientific-technological measures in the development of cattle breeding. At the same time, attention must be given to promoting the breeding of hogs, goats, bees, domestic fowls, and fish. Emphasis must be made on establishing a rational livestock breeding structure and adopting correct policies designed to promote the raising of livestock, transform old breeds, and crossbreed new stocks that can gain weight fast. It is necessary to vigorously develop livestock breeding in the state-run, collectivized, and family-based sectors so as to have, by 1990, 200,000 buffaloes, 70,000 cows, and 350,000 hogs.

--In forestry, efforts must be made so that by 1990, 67,000 hectares will be afforested, and some 38 million trees will be planted annually on a scattered basis, thus increasing the tree-shaded area to 50 percent.

It is necessary to combine agriculture and forestry closely with the processing industry, especially processing done by the local people; to link production with distribution and circulation; to increase the procurement and export of agricultural products; and to strengthen, consolidate, and perfect production relations while building production forces and broadly promote the application of scientific-technological progress at agricultural and forestry cooperatives. It is also necessary to strengthen and develop guidance over the collectivized and family-based economies; to link agriculture and forestry with industry; and to combine the state-run, collectivized, and family-based economies within an integrated economic structure.

--Concerning industry and small industry and handicrafts:

It is necessary to meet ever more satisfactorily the demands of production, life, export, and national defense; and to correctly combine industry with agriculture and forestry at the grass-roots level into an economic structure.

Efforts must be made to vigorously develop the various branches and trades of agricultural cooperatives in order to use the sources of raw material derived from local agricultural and forestry products for producing consumer goods and goods for export.

It is necessary to produce sufficient ordinary and renovated tools of goods quality for use in agriculture and forestry as required by the local crop cultivation conditions; to manufacture various types of tools and equipment for use in the processing of grain and food and export items; to step up the processing of good-quality yellow tea, citronella oil, tung oil, medicines, sauces, refined sugar, livestock fodder, and so forth; and to increase rapidly the quantity and quality of fabrics, paper, cement, building supplies, tin powder, pottery, ceramics, glasswares, rattan and wicker items, furnitures, and so forth for consumption and export.

It is necessary to step up vigorously the construction of medium- and small-sized hydroelectric projects while setting up economic-technical centers and to rapidly perfect the Thac Thuy, Viet Lam, and Bac Ban hydroelectric stations so as to operate them at full capacity.

--Concerning communication and transportation and postal service:

Greater efforts must be made by the entire province to open new roads, upgrade existing ones, and build bridges to meet the requirements of socioeconomic development and the consolidation of national defense and security. Along with concentrating on upgrading and opening main roads, the districts must encourage people in the various villages to build interhamlet and intervillage roads so as to expand the communication network. Along with building roads on land, it is necessary to conduct surveys on waterways and transform rapids, waterfalls, and sandbars in rivers and streams so as to develop marine transportation.

It is necessary to reorganize the truck transportation forces for better management and utilization and to vigorously develop the use of rudimentary transportation means to meet the demand for local transportation of enterprises, districts, and villages.

It is necessary to consolidate and transform the network of wired radio, improve and accelerate postal operations, and ensure an accurate flow of information and liaison to support production, combat, and life.

--Concerning capital construction:

Make priority investment in those projects serving the building of border defense lines, communications and transportation, hydroelectricity, irrigation, virgin land reclamation, afforestation, and service bases of agriculture and forestry. At the same time, secure necessary capital and materials for districts and newly moved factories. Pay attention to making investment in building areas of raw materials for the production of export goods and in constructing some hospitals, schools, houses, offices, warehouses, and other essential welfare projects. It is necessary to better exploit the various sources of capital and labor along the line of "mainly relying on the people with the state assistance" in order to quickly and completely finish all projects. Strictly economize on capital, materials, and labor all along from the task of surveying and designing to the organization of construction.

--Concerning export:

Make uniform and positive investment in creating areas of raw materials (tea, tung, peanut...), in exploiting and processing agricultural, forestry, and mineral products, and in various service operations in support of export. It is imperative therefore to step up production, strengthen management, and be thrifty in consumption.

--Concerning circulation and distribution:

Revamp the socialist trade network and clearly determine the types of tradeable commodities and areas of service for each organization in charge of

circulation in order to avoid duplication of effort, and competition in purchasing and selling activities, causing negativism in management and trade business. The state-run trade and marketing cooperatives must fulfill well their functions of purchases and retailing sales to consumers, covering all types of commodities available in villages and hamlets. The socialist trade system must enhance the quality of its business and must surge forward to control nearly all wholesale activities and most of the retailing sales and other important service operations.

The organizational system, management system, and business method of material supply installations must be rearranged and improved. Unnecessary intermediate tasks must be eliminated to ensure adequate, uniform, timely, and rational supply of materials to meet the requirements of production and combat.

The economic management system must be renovated to intensify the effectiveness of the task of providing guidance and operational control.

It is imperative to implement correctly the principle of democratic centralization in the economic management system, consistently ensure the primary economic units' right to autonomy in production and business in close combination with intensifying the leadership and management effectiveness of the state to comply with resolution No 306 (draft) of the Political Bureau. Along with upholding the role of unified and centralized management, it is imperative to promote vigorously the mastery role of sectors and especially of the district level and grass-roots level in the fields of production planning, using labor and land, tapping the sources of materials and equipment to be used in production, performing economic integration and financial operations, and arranging and organizing the people's livelihood in each enterprise and each district. It is necessary to link authority with benefit and responsibility with duty to ensure the benefits for the entire society, properly care for the collective interests, and promote workers's interests. Along with upholding the economic measures in management, it is imperative to combine correctly the use of administrative measures with organizational measures, promote the important role of educational, political, and ideological tasks, and uphold discipline and the socialist legal system, especially the economic law.

/12232

CSO: 4209/81

10 November 19

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

CAUSES OF PEOPLE'S DISTRUST OF PARTY-STATE CITED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 22 Aug 86 p 1

[Article by Tran Quoc Si of the 4th Subward, 10th Precinct: "Words Must Match Deeds"]

[Text] The press and the wired radio and television networks are the means to carry out propaganda among the people and to educate them. By these means, the party and state have frequently reminded us of the need to win the people's confidence, love and sympathy according to the motto: "The people place confidence in the party, the party trusts the people." However, this confidence is waning because of many shortcomings in "matching words with deeds" which I take the liberty of mentioning below so that all of us may eliminate them with determination.

First, there is the habit of "speaking too much but doing little"--that is, speaking about 10 things to do but doing only 2 or 3 of them.

Second, there is the habit of "speaking too much about exactitude but doing things the wrong way," which means failing to implement strictly the policies and lines of the party and state, applying them at one's convenience, and distorting the statements (policies) of the state. There have been instances when "the king's ruling has to yield to the village custom." This practice is very dangerous and detrimental to the people and must be given up.

The third shortcoming is the "failure to do what is said." This habit is also dangerous. Here is a specific example: The party and state call on the people to exercise their right of collective ownership by expressing and contributing their views and discussing problems during meetings organized by the subward and village authorities but anyone who dares speak his mind will bring ill luck to himself. This has happened in some localities.

The fourth shortcoming is the habit of "doing the opposite of what is said." For example, much has been said about stabilizing prices but it is the state-operated shops which are the first to raise prices usually without good reason. Therefore, "saying so does not mean doing so" is a frequent comment by the people. Such a habit is also very harmful.

Only by eliminating these four dangerous habits about "words and deeds" and by applying the principle of matching words with deeds can we strengthen the people's confidence.

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

PARTY DISCIPLINE SAID UNDERMINED BY OPPORTUNISTS

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 30 Aug 86 p 1

[Article by Vu Tham of the Ho Chi Minh City Statistics Department: "Party Discipline Must Be Strictly Enforced"]

[Text] For some time now, public opinion has been smoldering about the problem of party discipline though it is not a major one which encompasses party policies and lines. In all fairness, it must be said that the more strictly party discipline was enforced during the anti-French and anti-U.S. resistance, the more obviously this strictness has been relaxed during the period of economic reform, construction, and development. Speaking of party discipline, I want to deal with party discipline from the central to local level and down to primary party organizations.

All of us know that enforcing party discipline less strictly is creating the most favorable conditions, the most fertile hotbed, the best haven, and the strongest shelter for opportunists. These elements have used various means to infiltrate the party ranks and have resorted to many tricks--such as flattery, toadying, sentimentality, gifts, readiness to please their superiors--in order to obtain support and high positions in both the party and society. Afterward, taking advantage of the essentially educative nature of party discipline, they disregard party discipline and misuse their power and working conditions to accumulate wealth and to steal socialist property in order to live a well-off and even superabundant and luxurious life. The thinking pattern of these persons is usually simplistic but conformable to the present realities of life. In their opinion, "it is necessary to go on doing this way; if it comes to the worst, someone will come out and give protection and the worst that can happen will be at most a warning or expulsion from the party or retention of party membership [but deprivation of rights]." As long as they are retained in the party, they will try by all means to remain in the party ranks. They think so because party discipline has not been strictly enforced. As a matter of fact, legal proceedings have been rarely or slowly taken or have never been taken against powerful cadres and party members who have committed crimes.

The lack of strict party discipline is also one of the factors that aggravate negativism in both the party and society and that diminish the combativeness and persuasiveness of the party. Now more than ever, it is necessary to win

greater confidence and sympathy from the laboring masses. To gain this end, the party must set specific norms for its members' qualifications and behavior to provide a basis for the people to contribute constructive criticism. We can cite some concrete examples:

Members of the CPV must absolutely not violate the lines set forth by the party; they must not irresponsibly prejudice the interests of the party and laboring people; they must not take advantage of their positions, power, and working conditions to get rich by illegal means; they must neither take influence from the masses nor behave arrogantly toward them and officials at times; they are also forbidden to steal state property under any form. If any party member violates any of these regulations, whatever may be his position, he must be expelled immediately from the party ranks and legal proceedings must be taken promptly against him. Only by enforcing discipline so strictly can the party make its ranks ever more wholesome and stronger, ensure social justice, and win firmer confidence and greater sympathy from the laboring masses.

We have at our disposal many cadres and party members who possess many revolutionary virtues, who lead an honest and wholesome life, who are loved by the masses, and who have enough working capabilities to remove the opportunist elements. During the current self-criticism and criticism drive, the party must motivate the masses and act as a trial run for themselves: to speak the truth and denounce all opportunist elements at all levels and in all branches and organization so both the collective and state interests. Strict party discipline must be enforced to wipe out the opportunist elements who are clinging to the party just as pathogenic parasites are clinging to the digestive system to destroy the body.

In view of the essentially close relationships between state and party discipline, party discipline must be the brightest example of justice at its highest degree. If so, the masses will become ever more attached to the reality of the party and will trust it and love it more and more.

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CFO: 4209/21

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

CRIMINAL INFRINGEMENT ON SOCIALIST PROPERTY DISCUSSED

Hanoi LUAT HOC in Vietnamese No 4, Oct-Dec 85 pp 61-65

[Article by Nguyen Cong Luan: "The Nature of Criminal Infringement on Socialist Property As Treated in Vietnam's Criminal Law"]

[Text] I. Concept of Socialist Property

In his work, "Critique of Political Economy," Karl Marx wrote: "That concept of ownership is the relationships among men toward the conditions of production (means of production) and these conditions are the existence of man." (Footnote 1) (Karl Marx: "Critique of Political Economy," National Publishing House, Berlin, 1976, in German)

Article 19 of the 1980 Constitution states: "The lands, forests, rivers and lakes, mines, natural resources in the ground, in the territorial seas, and on the continental shelf; state-operated industrial and agricultural enterprises, banks, and insurance organizations; public utilities; systems of transport by rail, road, river, sea, and air; dikes and important water conservancy works; defense installations; systems of information and communications, radio, television, and cinema; institutions of scientific and technological research; cultural and social establishments, and other property defined by the law as belonging to the state are under the ownership of the entire people."

Property under the ownership of the entire people--the highest form of socialized ownership--is represented by the state in the capacity of sole owner.

Property of various kinds under the ownership of the entire people is defined in Article 19 of the 1980 Constitution in the most generalized form. To materialize what the constitution defines our state has promulgated legal documents to determine various kinds of socialist property.

Socialist property means property of the state in the forms of means of production, goods, or money in the natural unexploited form, or as exploited ores and timber. This property can be in the form of available material resources or in papers (if these papers allow acquiring money and materials). The actual trials of crimes of infringing on socialist property in our country have shown that socialist property also includes money deposited by citizens

in state savings funds, or state goods transferred to citizens (as payment of savings), payment of purchases and sales of goods, payment of wages, and so on. When property is in the hands of intermediaries, if the latter have been assigned by the state to keep it, this property is considered that of the state. The expenses for meals paid by patients to hospitals and by students in boarding schools to dining halls are also considered state money.

In addition, the law also defines the following kinds of property as state property:

- The already-classified works, inherited or cultural (in accordance with Decree No 519/TTg, dated 29 October 1957, of the Premier on conservation and treasures);
- Precious metals and stones (in accordance with Decree No 42/CP, dated 14 September 1960, of the Council of Ministers);
- Military weapons and sport and defense weapons (Decree No 175/CP, dated 11 December 1961, of the Council of Ministers);
- Booties in war (Circular No 245/TTg, dated 29 March 1953, of the Premier);
- Foreign aid goods and gifts (Circular No 81/TTg, dated 21 July 1965, of the Premier on management of foreign aid goods).

After the liberation of the South an economic component in the form of joint state-private enterprises has remained. In the period of transition to socialism, all properties belonging to these enterprises are also considered socialist property, for the management of these enterprises is completely in the hands of the state.

The various kinds of property mentioned above are all under the ownership of the entire people. The form of collective ownership is also recognized in the 1980 Constitution (Article 18): The property of the working people's collectives which is recognized by our state laws is also socialist property. The most important kinds of property that are under collective ownership today are the various properties of cooperatives (agricultural cooperatives, agricultural production collectives, agricultural machinery collectives in the South, small industry and handicraft cooperatives, credit cooperatives, marketing cooperatives, and other collective economic organizations).

However, not all kinds of property belonging to cooperatives or collectives are of socialist nature. In the case of the new collectives bearing the socialist germ such as the collective-buying-separate-selling cooperatives, the provisional statutes clearly indicate that almost all properties and money are under members' private ownership and that the collectives themselves do not have a socialist character because they are not under unified management. Besides the cooperative property there also is the property of other social organizations being members of the Fatherland Front, such as political parties, social organizations, associations, and so on. The share that has come from the state budget among the properties of these social organizations is under the ownership of the entire people.

As to properties of other states in our country, Article 141 of the new Criminal Code states: "Those persons who infringe on properties of other states and international organizations will get similar punishment as described in this chapter." This article is not included in the regulation of 21 October 1970. This is mainly the property of fraternal countries which we protect in the spirit of proletarian internationalism. In connection with public property of other states, it reflects the foreign policy of our party and state based on the principle of reciprocity in actual international relations. In short, socialist property is that under the ownership of the entire people and collective ownership.

II. Nature of Criminal Infringement

The various kinds of property mentioned above are the object of various crimes of infringing on socialist property. Chapter IV (the part dealing with criminal offenses) of our country's Criminal Code clearly defines various kinds of crime. However, during its application and trial, there are many other things that must be considered. Clarifying the nature of the acts of criminal infringement on socialist property cannot be separated from determining the object of these acts. In certain cases, the object of criminal acts is the condition for consideration and conclusion as to whether such acts constitute an infringement on socialist property. On the other hand, the nature of acts of infringing on socialist property by itself asserts the fact that only socialist property is the direct object of this kind of crime. Thus the object of criminal acts of infringing on socialist property is the socialist ownership relationships. These relationships are directly affected by the criminal acts in terms of the right to possess, decide, and use certain volume of property, in different forms, and at different levels. However, it is not true that any acts of infringing on socialist property are violation of the law as described in Chapter IV of the Criminal Code. The realities of court trials in our country have proved that fact. It depends on different cases. For instance, the criminal acts of stealing timber in forests and hunting game animals do not constitute the crime of stealing socialist property but rather a violation of an article in the forest protection regulation (in compliance with Articles 21 and 22 of the Regulation of 6 September 1972 of the National Assembly Standing Committee).

To distinguish natural resources from products of human labor in determining the object of criminal infringement on socialist property in the form of unauthorized possession as mentioned above is only relative. To determine the ownership relationships in connection with socialist property allows us to conclude that the crime is an infringement on socialist property. In addition to this, realities have shown that if something has no economic significance (or has lost its economic value or by itself has no economic value), it is not the object of an infringement on socialist property, for this thing has no significance in terms of ownership relationships. The latter, in this case, are not affected by the criminal act. But the relationships can be the object of other crimes. The reason for this distinction is the fact that there are various kinds of socialist property having different characteristics and different degrees of significance. Not all acts of infringing on socialist property are punishable in accordance with Chapter IV of the Criminal Code. For instance, the destruction of important works having to do with national

security is a crime punishable in compliance with (Article 96) the Criminal Code as follows: "Any persons who destroy the works or means of communications and transportation...or other important works having to do with national security and defense will be sentenced to 3-12 years of imprisonment." Thus dikes and important works having to do with national security and defense are not object of criminal infringement of socialist property in accordance with Chapter IV in spite of the fact that they are socialist property. In this case the ownership relationships do not have any bearing on determining criminal charges.

As analyzed above, socialist property reflects the relationships among people toward property. Consequently, as to criminal infringement of socialist property, offenders always infringe on ownership right. Acts of infringement are shown in different forms. According to Chapter IV (the part dealing with criminal offenses) of our country's Criminal Code, the various kinds of infringement on socialist property can objectively be divided into two groups:

- The group of crimes of infringing on socialist property through unauthorized possession consists of the following: robbing of socialist property (Article 129), taking by force of socialist property (Article 130), taking by snatching or openly seizing of socialist property (Article 131), burglarizing or stealing of socialist property (Article 132), taking through corruption of socialist property (Article 133), defrauding aimed at seizing socialist property (Article 134), abusing confidence in order to seize socialist property (Article 135), unlawful holding of socialist property (Article 136), and unlawful using of socialist property (Article 137). In this group, the crimes of directly infringing on socialist property as mentioned in articles 129 through 135 are carried out by acts of seizing, and two crimes (articles 136 and 137) by acts involving no actual seizing.

- The second group of crimes of infringing on socialist property are the ones committed by destroying or damaging socialist property (articles 138, 139, and 140).

The concept of unauthorized possession is the characteristic one applicable to almost all kinds of infringement mentioned in Chapter IV (the part dealing with criminal offenses) of the Criminal Code. In the actual committing of these crimes, the act of seizing is the mandatory sign. The act of seizing directly infringes on the ownership relationships (all-people ownership and collective ownership) in the sense that it is the object of criminal offense). Seizing is a deliberate act of unlawfully turning socialist property under the management of a subject into one's own or another organization's property. Thus from an objective standpoint the act of seizing means denying the ability to possess, use, and decide about a certain quantity of property and creating for oneself or for someone else this ability. The object of this act of seizing must be the socialist property that still remains under the management of its owner. The property that has no manager or lost property cannot be the object of the group of infringement that involves unauthorized possession. Subjectively speaking, the act of seizing in this group is carried out with direct and deliberate intention and for personal interests. The latter are the usual sign to be seen in the act of seizing. However, in some individual cases, the persons involved do not have any personal interests to serve but

still commit the crime of unauthorized seizing (stealing property from another organ for use in their own organ). Taking unauthorized possession of socialist property is carried out in different forms, such as using force, openly taking (in the case of openly seizing socialist property) or secretly taking (in the case of burglarizing or stealing socialist property), cheating (in the case of defrauding aimed at seizing socialist property), and so on.

The concept of unauthorized seizing, unlawful holding, or unlawful using of socialist property, from the legal standpoint, implies personal interests. Therefore, serving personal interests is the basic characteristic of this group of infringement.

The group of crimes of destroying socialist property (articles 138, 139, and 140) has its own characteristics. But the nature of these crimes is the same: they infringe on the ownership relationships involving the property concerned. In these cases it is very necessary to clearly determine the motive and purpose of offenders in order to evaluate the degree of danger of their acts. Almost all criminal infringement on socialist property involves personal interests. However, in this group of crimes the latter are not the only purpose. Thus subjectively speaking, in accordance with articles 138, 139, and 140, there can be two cases: criminal infringement committed for personal interests; and criminal infringement committed for other purposes.

In some actual cases it is necessary to determine the subjective aspects of offenses in order to have a basis good enough to bring charges. Committing criminal infringement for other purposes can involve other kinds of charges when the decision is to hold trial on the basis of the latter. In this case there will appear a "conflict" of the code articles. On the other hand, it is possible to apply the principle of generalizing criminal offenses. This means that trial can be based on both kinds of criminal infringement: one, to hold trial in accordance with articles 138, 139, and 140; two, to base trial on other charges not included in Chapter IV. This depends on individual cases.

The persons who commit crimes of infringing on socialist property are any persons being able to assume criminal responsibility for acts they have intentionally or unintentionally committed. However, for certain criminal offenses, those who commit them are specific people. In other words, these offense are limited among specific people. For instance, taking socialist property through acts of corruption (Article 133) can be committed only by cadres holding positions and having authority over property management.

Criminal acts of infringing on socialist property have so far limited, created difficulties for, and hampered the ownership rights in regard to property, with those who committed them having caused bad effects and affected a series of other social relationships in the socialist state's economic activities. These infringements not only cause harm to socialist property but also prevent the development of socialist production relationships and limit the making of more products for society. Each and every ownership relationship has an economic significance because, as Karl Marx said, ownership relationships are the foundation of the state's economic activities. Consequently, criminal infringement on ownership relationships also limits the economic results

obtained from exercising the ownership rights. When we consider and evaluate the degree of damage caused by criminal acts, we absolutely should not separate it from considering economic interests. We can affirm that criminal acts, whether they are committed by seizing or destroying, create a state of abnormality for the production process and economic activities of the socialist state. Therefore, we cannot consider the material-damage factor as a yardstick to measure the degree of danger of criminal acts, but instead we must take into consideration the negative effects of these acts. According to the articles in Chapter IV of the Criminal Code, if there is no damage caused to any property ownership relationship, there is no criminal infringement on socialist property. Therefore, to determine what social relationships being damaged is the factor that determines the meaning and kind of the actual criminal offense to be dealt with.

5598

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ECONOMIC PLANNING, TRADE, AND FINANCE

VIETNAM

COMPLIANCE WITH ECONOMIC LAWS IN DEALING WITH PEOPLE URGED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 30 Aug 86 p. 4

[Commentary by Chau AI: "Act in Accordance With Laws"]

[Text] "Objective laws must be respected and correctly applied to the realities of life" is the second important lesson taught by General Secretary Truong Chinh in his speech at the cadres' conference to study the draft political report to be submitted to the Sixth National Party Congress. After analyzing this topic deeply and clearly, Truong Chinh quoted Le Tuan's view that "ownership involves firm grasp of and compliance with [economic] laws," and stressed: "That is right, if we contravene these laws, we will not only become incapable of exercising ownership but will also be kicked back by them."

Like the problem of "considering the people as the roots," the question of "grasping laws and complying with them" which has been analyzed by Truong Chinh has also been discussed and referred to by our comrades and compatriots whose opinion is that "success and prosperity" depend on a deep understanding and sound application of these laws. As indicated by Truong Chinh, we will "neither succeed nor thrive" if we cling rigidly to conservatism, administrative commandism, and bureaucratic centralism and state subsidies.

In this connection, the views expressed by our comrades and compatriots are varied and realistic. Below are some points worth mentioning:

The 1st, 5th, 6th, and 4th Precincts are localities where many families and people with professional skills have enthusiastically responded to Decision No 34. It is estimated that in each of these precincts, there are 100 to 200 installation which have worked according to Decision No 34. (Preliminary statistics show that in the past 6 months since the issuance of this decision, more than 1,000 installations have overcome difficulties and organized household, individual, and subsidiary production according to this decision.) Instead of "secluding themselves" as in the past, people with professional skills and artistic "talents" in various sectors and trades have now "made their debut." (On writing these lines, I suddenly remember that 1 year after the issuance of Resolution No 6 of the Party Central Committee, newspapers in Hanoi reported that in some cities in North Vietnam, handicraftsmen who formerly worked clandestinely in their own houses and who had to shut the

doors tightly all the time for fear of being detected have now opened the doors widely in order to enjoy fresh wind while working!) Resolutions No. 6, 7, and 8 of the Party Central Committee and Decision No. 34 of the city really conform to the people's aspirations, to the transitional period, and to laws. During my talks and meetings with persons who have worked or are planning to work in accordance with Decision No. 34, many of them asked me: "Is it right to say that complying with laws means doing things correctly in the right direction?" I answered: "Yes, that is right. We can hardly succeed if we do things incorrectly in the wrong direction. This applies to everything we do, especially economic activities. Resolution No. 8 of the Party Central Committee stresses that 'only by resolutely abolishing the management apparatus based on bureaucratic centralism and state subsidies and by completely shifting to economic accounting and socialist business can we overcome difficulties and develop the economy.'" This suddenly reminds me of the case of people in a lamp production installation in our city who formerly trembled with fear while working clandestinely and whose minds were set at ease only after comrade Le Huan visited the installation and praised them and after Decision No. 34 was promulgated. Instead of being "apprehensive" as in the past, people in this and many other installations now have more peace of mind after Truong Chinh analyzed the situation with unequivocal arguments in his speech at the recent cadres' conference. So far I have been speaking of installations in the urban areas of our city. As for the rural outskirts, many people in Vinh Thanh, Hoc Non, and Thu Duc asked: "Some time ago, 'purchases were like plundering and sales were like freebies.' That was contrary to laws, wasn't it?" The sugarcane purchase price paid [by the state] to sellers did not suffice to cover their losses; moreover, guerrillas were sent out to compel the people to sell their sugarcane. Such course of action was wrong, wasn't it? If so, it was useless to wonder why the people cut and burnt down sugarcane before doing other kinds of business. The same story applies to the raising of hogs and the cultivation of vegetables: If capital investment, the signing of contracts, and the pricing system contradict the interests of laborers, we must not hope that they will do business . . . All things considered, theoretically and practically, "relying on the people as the roots" and "acting in accordance with laws" are two closely related questions. Only by considering the people as the roots and working for the people can we boldly obliterate bureaucratic centralism and state subsidies, completely shift to economic accounting and socialist business, and firmly promulgate laws and comply with them. Conversely, only by complying with laws and doing things in the right direction can we really work for the people and really consider them as the roots. In conclusion, let me quote the opinion of many compatriots and comrades: "We suggest that scientists, theoreticians, pragmatists, and all other people extensively debate the two issues of 'considering the people as the roots' and 'acting in accordance with laws' and that this debate be published by the press so that the important subjects mentioned by Truong Chinh may permeate daily life and materialize."

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AGRICULTURE

VIETNAM

BRIEFS

NORTHERN RICE HARVEST--As of 15 October, northern agricultural cooperatives have harvested 45,090 hectares of early 10th-month rice, definitely faster than the same period last year. Nghe Tinh, Thanh Hoa, Hai Hung, Ha Son Binh, and Ha Nam Ninh Provinces have harvested from 2,000 to 20,000 hectares of early 10th-month rice with the rice yield hovering at 30 quintals per hectare. Along with harvesting early 10th-month rice, localities have planted 50,090 hectares of corn, sweet potatoes, and assorted vegetables and 650 hectares of winter soybeans. This winter, provinces have paid attention to expanding the area of high-yield corn, soybeans, and sweet potatoes. Cooperatives along the rivers in Ha Son Binh, Vinh Phu, Hai Hung, Thanh Hoa, and Ha Nam Ninh Provinces and Hanoi's outskirts have planted the TS-D2 and MS-D49 varieties of corn. The Central Seeds Company has provided to localities 900 metric tons of potatoes, 150 metric tons of corn, and 200 metric tons of soybeans. The Central Fruit and Vegetable Company has provided more than 150 metric tons of assorted vegetable seed to primary installations. [Text] [Hanoi Domestic Service in Vietnamese 1100 GMT 15 Oct 86 BK] /12232

CSO: 4209/81

HEAVY INDUSTRY AND CONSTRUCTION

VIETNAM

BRIEFS

INCREASED CEMENT PRODUCTION--To greet the CPV Congress at all levels, the Ha Tien cement combine had decided to launch a new emulation movement to overcome all difficulties to produce 120,000 tons of cement in the last 5 months of this year and achieve a yearly output of 270,000 tons (representing an increase of 10,000 tons over the plan norm). The combine has also decided to put the Thu Duc (expanded) grinding system into operation. To fulfill these objectives, the combine has continuously tried to procure for its own use 2,000 tons of oil and various types of cables and spare parts for power shovels and electric motors; it has improved the rams of stone breakers, put some new transport means into operation, and taken the initiative in fighting against leakages and floods during the rainy and flood season. The combine has used its subsidiary sources of production to take better care of the lives of cadres, workers, and civil servants, to maintain the quality of breakfasts and midshift meals, and to improve the quality of third-shift meals. Moreover, the combine has applied the system of progressive rewards, encouraged workers in key production stages to achieve high outputs, and motivated all production lines to work more vigorously. [Text] [Ho Chi Minh City SAIGON GIAT PHONG in Vietnamese 28 Aug 86 p 1] 9332/13104

CSO: 4209/21

ASSISTANCE TO SMALL INDUSTRY-HANDICRAFTS UNITS PROPOSED

Ho Chi Minh City SAIGON GIAT PHONG in Vietnamese 28 Aug 86 p 1

[Article by Van Thanh of the 8th Subward, 3d Precinct: "Improve the Method of Withdrawing Cash from Banks and Supply More Electric Power to Small Industry and Handicrafts Installations"] [Ideas to Contribute to Party Congress column]

[Text] Ever since the issuance of the directive on implementing Decision No 34 of the municipal People's Committee, production by the people has been stepped up and developed widely with good prospects. However, there still remain some problems requiring urgent solution.

1. Resolving the Cash Problem for Small Industry and Handicrafts Installations

Because many small industry and handicrafts installations possess little capital for investment and because many individual production and household sideline business installations do not have enough capital for production, they have had to borrow capital from private citizens at a high monthly interest ranging from 15 to 20 percent. Many of these installations will not dare sign production contracts with the state and other state commercial units if the merchandise buyers pay by transferring funds. At present, most production installations are producing slowly by applying the method of producing and selling goods on their own or selling goods only to units which pay cash.

The prices of products bought with cash are low, only about 80 percent of the prices of goods bought by transferring funds through the state bank. If so, why do producers accept such a "loss?" For long, it has been common knowledge that the reason is the great difficulties and discriminatory treatment experienced by individual and household production installations when trying to withdraw cash. At present, these installations are finding it very difficult to withdraw cash from many precinct banks, for they are allowed to withdraw cash only once a week and the amount withdrawn each time is limited to 2-3 percent only of the total balance--a too low rate. Meanwhile, the capital invested by these producers does not suffice for them to continue implementing their contracts.

To overcome this situation, we suggest that the municipal People's Committee and state bank in precincts take it into consideration and solve this problem to enable producers to withdraw cash quickly and that they establish the necessary equality in economic relationships between the signing of contracts and the withdrawal of cash from the bank.

2. Solving the Electricity Problem and Installing Additional Three-phase Meters in Individual and Household Production Installations

Recently, the municipal Electricity Service has solved some difficult problems about electric power for production installations by directly supplying each of them with 200 kw per month. We welcome this move, which is however, only the first step taken to put producers at ease. The important question is that at present the machines and equipment owned by many individual and household production units are left unused and their capacities undeveloped just because the power supplied to them belongs to the 110v or 220v electricity network designed for daily consumption. To produce, these units will need to use a three-phase current but it seems that the electricity service has not proceeded to install this current for production installations. If people ever wanted to have three-phase meters installed, they should have the "savoir faire"--that is, resort to bribery and offer fairly large sums of money to persons having the competence to solve this problem. Therefore, we suggest that the Electricity Service and Corp. No 2 solve this problem by installing three-phase meters and currents at installations whose machines need these meters and currents and that the norm fixed for monthly use of electric power be strictly controlled. Discrimination between collective and individual units must not become a reason for leaving productive machines and equipment unused, provided that production be performed in compliance with the law and in the best interest of national economy and people's livelihood. We hope that this problem will be solved quickly and the result announced soon.

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PUBLICATIONS

VIETNAM

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BK021353 Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese August 1986 p 72

[Text] Following are the contents of the August 1986 issue of TAP CHI QUAN DOI NHAN DAN:

1. Special communique on death of Le Duan, secretary general of the CPV Central Committee, issued by the CPV Central Committee, the National Assembly, the Council of State, the Council of Ministers, and the VFF Central Committee Presidium. (pp 1-2; 950 words; filed from Hanoi Domestic Vietnamese 101100 Jul as OW101151 and adds)
2. Biography of Le Duan. (pp 3-5; 1,500 words; filed from VNA English 101602 Jul as OW 101629 and add)
3. Eulogy delivered by Truong Chinh at 15 July memorial service for Le Duan. (pp 6-8; 1,600 words; filed from Hanoi Domestic Vietnamese 142333 Jul as BK150155 and add)
4. Report on death of Senior General Hoang Van Thai. (p 9; 210 words; filed from VNA English 031714 Jul as OW031744)
5. Notice of 14 July session of the CPV Central Committee on election of Truong Chinh as new party general secretary. (p 10; 230 words; filed from Hanoi Domestic Vietnamese 141100 Jul as OW141203)
6. Speech by Le Duan at ceremony marking the 10th anniversary of the total victory in the anti-U.S. war for national salvation, 30 Apr 1975-30 Apr 1985. (pp 11-20; 7,000 words)
8. Article by Le Duc Tho: "Satisfactorily Carry Out Ideological Work in Preparation for the Party Congress." (pp 30-39; 8,000 words; filed from Hanoi Domestic Vietnamese 291100 and 301430 Jul as BK310500 and adds and BK 311344 and adds respectively)
9. Article by Lieutenant General Nguyen Huy Chuong: "Party Work and Political Work Amid Fighting at Basic Units of Vietnamese Army Volunteers on Cambodia's Northeastern Front," presenting a number of experiences in party work and political work acquired by some basic combat units of Vietnamese army volunteers on Cambodia's Northeastern front during the 1984-85 dry season. (pp 40-49; 6,400 words)

10. Article by Senior Colonel Hoang Phung Ngoc: "The Stockpiling of Ammunition on the Defense Frontline," pointing out the importance of stockpiling ammunition on the defense frontline to bolster the efficiency of people's welfare. (pp 50-58; 6,300 words)

11. Article by Major Nguyen Ngoc Quy: "Apply Mathematical Methods in the Study of the Air Defense Force's Combat Activities," dealing with the decisive role of mathematics in assessing the Air Defense Force's combat activities both qualitatively and quantitatively. (pp 59-61, 70; 4,000 words)

12. Article by Senior Colonel Le Ngoc Toan: "Factory Z-153 Builds a Security Belt to Counter Enemy Sabotage," introducing some experiences gained by Factory Z-153, a vehicle repair installation of the Defense Ministry, in establishing a security network against enemy sabotage activities over the past years (pp 64-70; 4,800 words)

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